TROPHY CLUB

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY

Mike Erwin
Finance Manager

PRESENTED BY

Wade Carroll
Town Manager

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021

Prepared by

Town of Trophy Club

Wade Carroll, Town Manager

Mike Erwin, Finance Manager

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
September 30, 2021

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Introductory Section (Unaudited)

TOWN OF
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Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, TX 76262
Phone (682) 237-2900
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March 25, 2022

To the Honorable Mayor,
Members of the Town Council, and
Citizens of the Town of Trophy Club, Texas

The Town's Finance Department has a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) which were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Annual Comprehensive Financial Report (ACFR) for the Town of Trophy Club, Texas for the fiscal year ended September 30, 2021 is hereby issued.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the Town's financial statements in conformity with GAAP. Internal controls should not outweigh their benefits; therefore, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial records have been audited by BKD, LLP, Certified Public Accountants, as required by the Town Charter. This ACFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town are presented fairly, in all material respects, for the fiscal year ended September 30, 2021. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the Town's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town of Trophy Club, Texas incorporated in 1985 as Texas' first premiere master planned community, is located in the North Central portion of Texas. This area of the State has proven to be one of the top growth areas in Texas and the United States. The Town currently occupies a land area of just over 4 square miles and serves a growing population of approximately 12,541. The Town is empowered to levy a property tax on real property located within its boundaries. The Town has a median household income of $147,477 and a median housing value of $485,000.

Trophy Club has operated as a Home Rule municipality utilizing the Council-Manager form of government since 2004. With the Charter Amendments passed at the May 11, 2013 election policy-making and legislative authority are vested in the Town Council consisting of the Mayor and six other council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing boards and committees, and hiring the Town Manager, Town Secretary, Municipal Judge, and Town Attorney. The Town Council is elected on a non-partisan basis. With the Charter Amendments passed at the May 9, 2009 election, Council members are elected from the Town at-large-by-place in the manner, for a term of three (3) years or until their successors have been elected and take office. Each Council member shall be elected to and occupy a place on the Council, such Places being numbered (e.g., Place 1, Place 2, Place 3, etc.). No person shall serve as Mayor or Council member for successive elected full terms totaling more than six years. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the government and for appointing the heads of the various Town departments.

The Town of Trophy Club provides a full range of municipal services including general government, public safety, streets, parks and recreation, planning and zoning, code enforcement, and drainage utilities. Water/wastewater is provided through the Municipal Utility District.

Local Economy

Fast-paced growth is one of the Town's identifying characteristics, identified by both the Dallas Business Journal and Fort Worth Builders Association. Trophy Club's location between DFW and Alliance Airports is ideal for businesses and residents, as well as those who commute to Dallas, Denton, Las Colinas, and Fort Worth. Trophy Club maintains a small-town, picturesque feel while taking advantage of nearby metro areas. The Town offers an outstanding quality of life, with great educational and recreational amenities as well as two 18-hole premier golf courses including the only course designed by Ben Hogan.

The North Texas region possesses diverse research and education institutions, logistics, oil and gas, manufacturing and industrial, and a professional services base that has contributed to the relative stability of the unemployment rate with approximately half of the local workforce employed in management, professional, and related occupations. Figures from the Bureau of Labor Statistics indicate a Dallas/Fort Worth unemployment rate of 6.3% while the national unemployment rate is 7.8% as of September 2021.

Trophy Club has worked diligently to position itself for a significant future within DFW and the Alliance corridor. The Town has issued over 1,000 building permits for high end homes over the past 9 years. There were 2 new residential building permits for a total of $1,685,000 and 0 new commercial building permits for Fiscal Year 2021. Eight commercial projects with a value of $3,190,000 and over 200 remodel/update residential projects with a value of $9,157,991 occurred in FY21. Additionally, the Town's tax base exceeded $1.9 billion net taxable value in 2021. Business growth continues to be strong in Trophy Club and the Highway 114 region. The Town directly benefits from those businesses locating within the Town or professionals moving to our neighborhoods who work at nearby corporations.

Long-Term Financial Planning

In FY21 the Town issued $4,305 million in debt for long term needs of Streets, Parks and Drainage. Due to premiums, the Town received $4.5 million in proceeds.

Budgeting Process

The Town of Trophy Club uses a program-based budgeting process. Each budgeting unit provides for the expenditures associated with services and supplies appropriated for in the prior year budget. Personnel expenditures are compiled by the Finance department. Any funding request that represents new expenditures and programs must be submitted as a separate supplemental request. Capital items are funded based on a replacement schedule, need, and available resources.

Revenue Projection

The budget revenue projections for the next fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary departmental budget to present to the Budget Team, which is comprised of the Town Manager and Finance Manager. During Budget Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Proposed Budget Development

The Town Manager shall prepare and submit to the Town Secretary, the annual budget covering the next fiscal year. The Town Manager's proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed operating expenditures. The Town Manager's budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

Town Council Budget Study

Each fund's information, supplemental items, capital replacement data, and the five year capital improvement program are presented to the Council from May until the budget is adopted. This approach allows the Council to discuss items and give direction prior to the proposed budget being submitted.

Capital Program

The Town Manager shall prepare and submit to the Council a five (5) year capital program no later than three months before the final date for submission of the budget. The capital program shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition (Charter Section 9.08).

Public Hearing/Budget Adoption

A public hearing on the proposed budget and the tax rate (if applicable) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget. The public also has the opportunity to attend Town Council budget work sessions from May through budget adoption.

Budget adoption occurs in September after Town Council deliberations and the public hearing(s). The Town Council adopts a tax rate to support adopted funding levels. Pursuant to Town Charter, the budget in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted if no Town Council action is taken before the end of the fiscal year, September 30.

Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October.

Budget maintenance is a year-round activity of divisions/departments and Finance Department staff. Other spending control mechanisms include monthly review of expenditures by Finance Department staff. During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

Relevant Financial Policies

Staff created the Town's Investment Policy. The purpose of the investment policy was to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Town of Trophy Club to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of Trophy Club's funds. The investment policy received the Government Treasurers of Texas Certificate of Distinction for Investment Policy in June 2011.

The Town Council adopted a fund balance policy in September 2011 which established new fund balance categories (as recommended by Statement No. 54 by the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

In September 2016 the Town implemented revised purchasing and travel and training policies.

Major Initiatives

The Town Council has continued its strategic planning process to identify goals and objectives for long range planning. Each year, the Council meets in strategic planning retreats to review and refine those goals. Management Team members utilize the strategic planning documents to help guide their budget planning and service/program implementation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Trophy Club for its ACFR for the fiscal year ended September 30, 2020. This was the tenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgment is also given to representatives of BKD LLP, Certified Public Accountants.

Special acknowledgement is given to the Mayor and the members of the Town Council for their support for maintaining the highest standards of professionalism in the management of the Town of Trophy Club finances.

Respectively submitted,

Wade Carroll
Town Manager

Mike Erwin
Finance Manager

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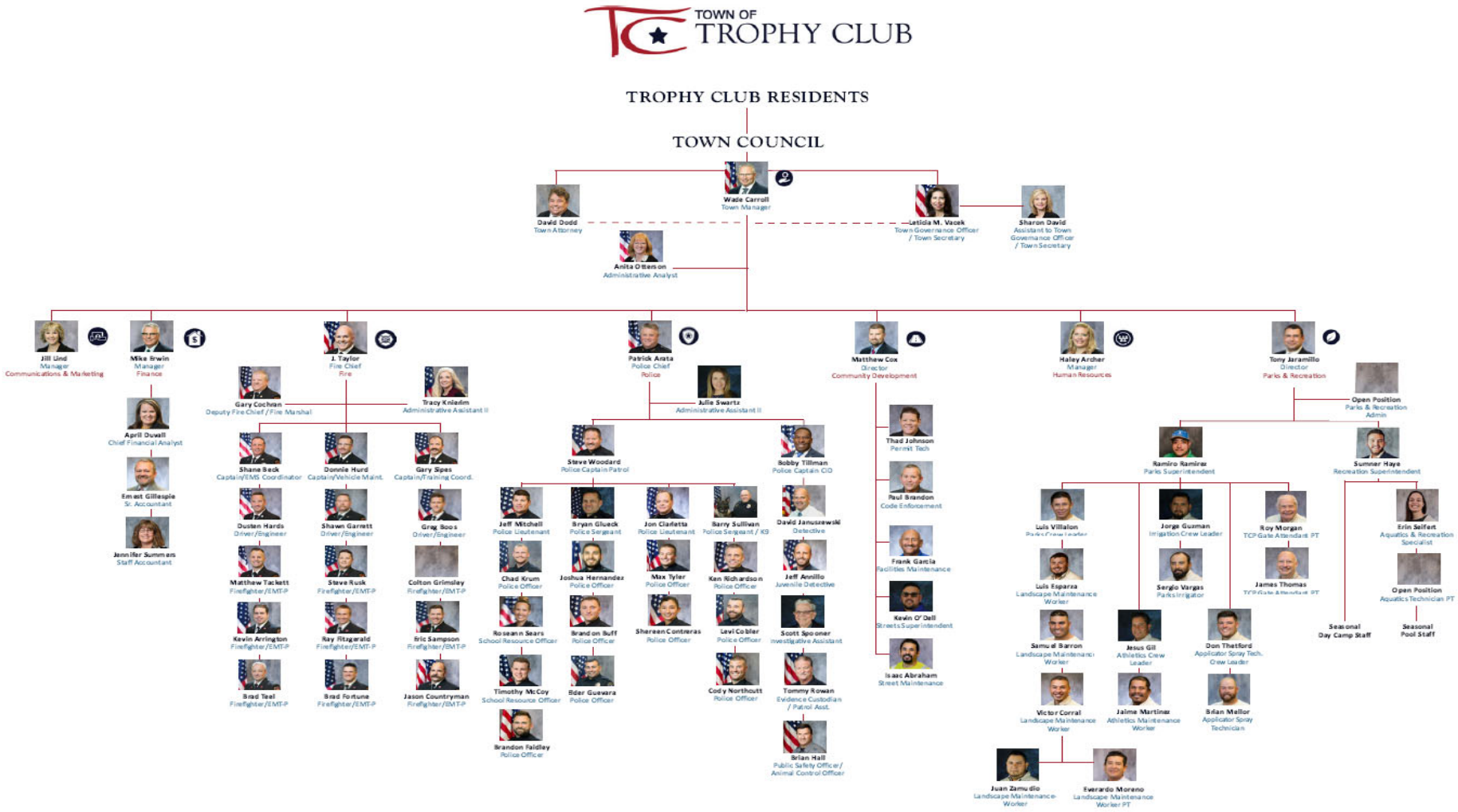
TOWN OF
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TROPHY CLUB RESIDENTS
TOWN COUNCIL
Wade Carroll
Town Manager
David Dodd
Town Attorney
Leticia M. Vacek
Town Governance Officer / Town Secretary
Sharon David
Assistant to Town Governance Officer / Town Secretary
Anita Ottenson
Administrative Analyst
Jill Lind
Manager
Communications & Marketing
Mike Erwin
Manager
Finance
April Duvall
Chief Financial Analyst
Ernest Gillespie
Sr. Accountant
Jennifer Summers
Staff Accountant
J. Taylor
Fire Chief
Fire
Gary Cochran
Deputy Fire Chief / Fire Marshal
Tracy Knierim
Administrative Assistant II
Shane Beck
Captain/EMS Coordinator
Donnie Hurd
Captain/Vehicle Maint.
Gary Sipes
Captain/Training Coord.
Dusten Hards
Driver/Engineer
Shawn Garrett
Driver/Engineer
Greg Boos
Driver/Engineer
Matthew Tackett
Firefighter/EMT-P
Steve Rusk
Firefighter/EMT-P
Colton Grimsley
Firefighter/EMT-P
Kevin Arrington
Firefighter/EMT-P
Ray Fitzgerald
Firefighter/EMT-P
Eric Sampson
Firefighter/EMT-P
Brad Teel
Firefighter/EMT-P
Brad Fortune
Firefighter/EMT-P
Jason Countryman
Firefighter/EMT-P
Patrick Arata
Police Chief
Police
Julie Swartz
Administrative Assistant II
Steve Woodard
Police Captain Patrol
Bobby Tillman
Police Captain CID
Jeff Mitchell
Police Lieutenant
Bryan Glueck
Police Sergeant
Jon Ciafletta
Police Lieutenant
Barry Sullivan
Police Sergeant / K9
David Januszewski
Detective
Chad Krum
Police Officer
Joshua Hernandez
Police Officer
Max Tyler
Police Officer
Ken Richardson
Police Officer
Jeff Annillo
Juvenile Detective
Roseann Sears
School Resource Officer
Brandon Suff
Police Officer
Shereen Contreras
Police Officer
Levi Cobler
Police Officer
Scott Spooner
Investigative Assistant
Timothy McCoy
School Resource Officer
Ader Guevara
Police Officer
Cody Northcutt
Police Officer
Tommy Rowan
Evidence Custodian / Patrol Asst.
Brandon Faidley
Police Officer
Brian Hall
Public Safety Officer / Animal Control Officer
Matthew Cox
Director
Community Development
Thad Johnson
Permit Tech
Paul Brandon
Code Enforcement
Frank Garcia
Facilities Maintenance
Kevin O'Dell
Streets Superintendent
Isaac Abraham
Street Maintenance
Haley Archer
Manager
Human Resources
Tony Jaramillo
Director
Parks & Recreation
Open Position
Parks & Recreation Admin
Ramiro Ramirez
Parks Superintendent
Sumner Haye
Recreation Superintendent
Luis Villalon
Jorge Guzman
Irrigation Crew Leader
Roy Morgan
TCP Gate Attendant PT
Erin Seifert
Aquatics & Recreation Specialist
Luis Esparza
Landscape Maintenance Worker
Sergio Vargas
Parks Irrigator
James Thomas
TCP Gate Attendant PT
Open Position
Aquatics Technician PT
Samuel Barron
Landscape Maintenance Worker
Jesus Gil
Athletics Crew Leader
Don Thetford
Applicator Spray Tech. Crew Leader
Seasonal
Day Camp Staff
Seasonal
Pool Staff
Victor Corral
Landscape Maintenance Worker
Jaime Martinez
Athletics Maintenance Worker
Brian Mellor
Applicator Spray Technician
Juan Zamudio
Landscape Maintenance Worker
Everardo Moreno
Landscape Maintenance Worker PT

TOWN OF
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TOWN COUNCIL

Alicia Fleury
Mayor

Greg Lamont
Mayor Pro Tem, Place 1

Jeff Beach
Place 2

Dennis Sheridan
Place 3

Karl Monger
Place 4

LuAnne Oldham
Place 5

Philip Shoffner
Place 6

TOWN MANAGER'S OFFICE

Wade Carroll
Town Manager
682.237.2984

David Dodd
Town Attorney
682.237.2904

Leticia M. Vacek
Town Governance Officer
/ Town Secretary
682.237.2903

Anita Otterson
Administrative Analyst
682.237.2900

Open Position
Assistant to Town
Governance Officer /
Town Secretary
682.237.2905

TOWN OF
TROPHY CLUB

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Trophy Club
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

TOWN OF
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TOWN OF
TROPHY CLUB

Financial Section

TOWN OF
TROPHY CLUB

BKD
CPAs & Advisors

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Independent Auditor's Report

The Honorable Mayor and Members of the Town Council
Town of Trophy Club, Texas
Trophy Club, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Trophy Club, Texas (Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2020 financial statements for the governmental activities, the discretely presented component unit, and aggregate remaining fund information, before they were restated for the matters discussed in *Note 16*, were audited by other auditors, and their report thereon, dated March 23, 2021, expressed unmodified opinions on those financial statements. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, pension, and other postemployment information, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Dallas, Texas
March 25, 2022

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2021

As management of the Town of Trophy Club, Texas (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $63,644,405 (net position). The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was a $6,343,499.

- The Town's total net position decreased $1,387,689 primarily because of inclusion of the Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1) fund in the primary government, declining contributions, and increases to public safety salaries.

- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of $20,727,099, an increase of $4,500,483 in comparison with the prior year. Of this amount, $6,548,591, or 32%, is available for spending at the government's discretion (unassigned fund balance). The increase is due primarily to issuance of debt which will be expended on capital outlays in the future.

- At the end of the current fiscal year, unrestricted fund balance for the general fund was $6,876,307, or approximately 54% of total general fund expenditures.

- At the close of the current fiscal year, the Town's enterprise funds reported combined net position balances of $2,318,557, an increase of $490,882 in comparison with the prior year. The increase is due primarily to transfers in from the governmental funds for debt service payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the four is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, police, emergency medical services, community development, parks and recreation, streets, court, council, and administration. Normally, these operations are financed by property taxes, sales taxes, and franchise fees. The business-type activities of the Town include Trophy Club Park and Storm Drainage Utility operations.

The government-wide financial statements include not only the Town itself (known as the primary government), but also the legally separate component unit, 4B Economic Development Corporation, which the Town is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the PID No. 1, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The Town's proprietary funds are all enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its Trophy Club Park and Storm Drainage operations. All activities associated with providing such services are accounted for in these funds, including salaries and benefits, supplies and materials, repairs and maintenance, utilities, and other operating expenses. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Trophy Club Park, and Storm Drainage Utility. The Storm Drainage Utility is considered to be a major fund of the Town.

Component Unit

The Town maintains the accounting and financial statements for one discretely presented component unit, the 4B Economic Development Corporation, which is displayed separately on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund and Public Improvement District No. 1 fund. In addition, it includes information concerning the Town's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $63,644,405, at the close of the most recent fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position. Prior year comparative information has not been restated for the error corrections recorded at the beginning of fiscal year 2021.

	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Current and other assets	$ 45,409,644	$ 41,677,547	$ 1,090,287	$ 721,486	$ 46,499,931	$ 42,399,033
Capital assets, net	66,002,719	69,044,358	1,759,272	1,803,997	67,761,991	70,848,355
Total assets	111,412,363	110,721,905	2,849,559	2,525,483	114,261,922	113,247,388
Deferred outflows of resources	2,944,702	3,314,815	-	-	2,944,702	3,314,815
Other liabilities	3,000,045	1,397,880	12,498	15,286	3,012,543	1,413,166
Long-term liabilities	49,308,907	48,699,938	518,504	682,522	49,827,411	49,382,460
Total liabilities	52,308,952	50,097,818	531,002	697,808	52,839,954	50,795,626
Deferred inflows of resources	722,265	734,483	-	-	722,265	734,483
Net investment in capital assets	27,008,067	51,061,357	1,240,768	1,121,475	28,248,835	52,182,832
Restricted	29,052,071	6,821,486	-	-	29,052,071	6,821,486
Unrestricted	5,265,710	5,321,576	1,077,789	706,200	6,343,499	6,027,776
Total net position	$ 61,325,848	$ 63,204,419	$ 2,318,557	$ 1,827,675	$ 63,644,405	$ 65,032,094

Current and other assets increased by $4.1 million from the prior year due primarily to unspent bond proceeds. Other liabilities in governmental activities increased $1.6 million from the previous year due to receiving of the first tranche of the *American Rescue Plan* Act (ARPA) funding but not expending it before year end

Long-term liabilities, which consist of bonds, compensated absences, pension liability, and other postemployment benefit obligations, increased by $450 thousand from the previous year for governmental and business-type activities combined. During the current year, the Town issued $4.3 million in general obligation bonds to finance various capital projects throughout the Town.

A portion of the Town's net position, $28,248,835, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $29,052,071 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the Town's unrestricted net position was a balance of $6,343,499. The Town's overall net position decreased $1,255,688, before restatement, from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Town of Trophy Club, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2021

Statement of Activities:

The following table provides a summary of the Town's changes in net position. Prior year comparative information has not been restated for the error corrections recorded at the beginning of fiscal year 2021.

	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenues:						
Program revenues:						
Charges for services	$ 3,332,833	$ 1,797,916	$ 621,779	$ 619,011	$ 3,954,612	$ 2,416,927
Operating grants and contributions	37,851	2,056,622	4,170	-	42,021	2,056,622
Capital grants and contributions	150,000	-	-	68,146	150,000	68,146
Total program revenues	3,520,684	3,854,538	625,949	687,157	4,146,633	4,541,695
General revenues:						
Property taxes	9,940,633	9,347,776	-	-	9,940,633	9,347,776
Sales and mixed beverage taxes	2,035,404	1,445,994	-	-	2,035,404	1,445,994
Franchise and lcoal taxes	869,212	850,543	-	-	869,212	850,543
Occupancy tax	392,660	387,759	-	-	392,660	387,759
Other revenues	62,904	414,384	-	-	62,904	414,384
Investment Income	72,940	183,858	325	2,711	73,265	186,569
Total general revenues	13,373,753	12,630,314	325	2,711	13,374,078	12,633,025
Total revenues	16,894,437	16,484,852	626,274	689,868	17,520,711	17,174,720
Expenses:						
General government	1,381,483	797,113	-	-	1,381,483	797,113
Manager's office	936,032	708,646	-	-	936,032	708,646
Human resources	280,147	423,299	-	-	280,147	423,299
Finance	512,144	607,160	-	-	512,144	607,160
Information services	647,888	636,688	-	-	647,888	636,688
Legal	118,756	102,606	-	-	118,756	102,606
Municipal court	49,837	79,609	-	-	49,837	79,609
Police	2,987,967	2,556,947	-	-	2,987,967	2,556,947
Fire	1,336,171	1,221,699	-	-	1,336,171	1,221,699
Emergency medical services	1,292,783	1,280,896	-	-	1,292,783	1,280,896
Facilities management	448,538	336,161	-	-	448,538	336,161
Parks and recreation	2,674,646	2,593,588	-	-	2,674,646	2,593,588
Community development	639,321	498,920	-	-	639,321	498,920
Tourism	317,005	64,392	-	-	317,005	64,392
Sanitation	1,057,653	-	-	-	1,057,653	-
Public works	2,308,861	2,052,018	-	-	2,308,861	2,052,018
Interest and fiscal charges on long-term debt	1,535,312	1,639,671	-	-	1,535,312	1,639,671
Storm Drainage Utility	-	-	126,163	93,912	126,163	93,912
Trophy Club Park	-	-	125,692	229,670	125,692	229,670
Total expenses	18,524,544	15,599,413	251,855	323,582	18,776,399	15,922,995
Increase in net position before transfers	(1,630,107)	885,439	374,419	366,286	(1,255,688)	1,251,725
Transfers	(116,463)	262,933	116,463	(262,933)	-	-
Special item	-	(882,082)	-	-	-	(882,082)
Change in net position	(1,746,570)	266,290	490,882	103,353	(1,255,688)	369,643
Net Position, Beginning, as Previously Reported	63,204,419	62,938,129	1,827,675	1,724,322	65,032,094	64,662,451
Adjustment applicable to prior years	(132,001)	-	-	-	(132,001)	-
Net Position, Beginning, as Restated	63,072,418	62,938,129	1,827,675	1,724,322	64,900,093	64,662,451
Net Position, Ending	$ 61,325,848	$ 63,204,419	$ 2,318,557	$ 1,827,675	$ 63,644,405	$ 65,032,094

Governmental Activities

For the year ended September 30, 2021, revenues from governmental activities totaled $16,894,437. Property tax, grants and contributions, special assessments and sales tax are the Town's largest general revenue sources. Overall revenue increased $409,585 or 2% from the prior year. Charges for services increased by $1,534,917 or 85% due primarily to inclusion of sanitation charges received during the year, previously netted with expenses, and a return to normal for the summer programs revenue. Operating grants and contributions decreased by $2,018,771 or 98% due to the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) funding in 2020 that did not repeat in 2021. Property taxes remain the largest source of revenue at $9,940,663 in the current fiscal year. The rate charged to property tax owners has remained consistent, however, the assessed valuation has risen from approximately $2.1 billion in 2020 to $2.4 billion in the current year. Sales and mixed beverage tax increased by $589,410 or 41% due to the added online sales tax and the inclusion of CCPD in the primary government. Occupancy taxes remained stable. Investment income decreased by $110,918 or 60% due to the impact of the market and realization of lower interest rates. Other revenues decreased by $351,480 or 85%, primarily as a result of nonrecurring refunds received in the prior year for the park land dedication fund. All other revenues remained relatively stable when compared to the previous year.

For the year ended September 30, 2021, expenses for governmental activities totaled $18,524,544. This represents an increase of $2,925,131 or 19% from the prior year. The Town's largest expense category is public safety, which totaled $5,616,921 at year-end and increased $557,000 from prior year due primarily to salary increases. General Government increased by $584,370 with the inclusion of the TIRZ No. 1 Fund. Parks and recreation expenses increased by $81,058 with a return to normal summer activities. Sanitation is a new expense reported this year, previously netted with revenues. All other expenses remained relatively consistent when compared to the previous year.

Business-type Activities

Business-type activities are shown comparing operating costs to revenues generated by related services. For the year ended September 30, 2021, charges for services by business-type activities totaled $625,949 and remained basically the same. No grant revenues were recognized in FY21. Total business-type activity expenses decreased by $71,727. The Storm Drainage Utility increased expenses by $32,251 for creek maintenance and the Trophy Club Park decreased their expenses by $103,978 with no major projects.

Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town's Council.

At September 30, 2021, the Town's governmental funds reported combined fund balances of $20,727,099, an increase of $4,500,483, after the impact of restatement, in comparison with the prior year. Approximately 33% of this amount, $6,548,591, constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is: 1) not in spendable form $727,449; 2) restricted for particular purposes $13,443,349; or 3) committed for a particular purpose $7,710.

Analysis of Individual Funds

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was $6,876,307, while total fund balance increased to $7,603,756. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 54% of total general fund expenditures, while total fund balance represents 60% of that same amount.

The fund balance of the Town's general fund decreased by $56,333 during the current fiscal year. This small decrease as compared to previous years is due to use of fund balance for equipment purchases and use of fund balance to increase public safety salaries.

The debt service fund had an ending fund balance of $423,426 at September 30, 2021, a decrease of $283,214 when compared to the previous year. The decrease in the total fund balance was a result of Sate of Texas' change to the I&S calculation, which caused a decrease in the debt service portion of the total property tax rate. During the year, the fund recorded total principal and interest payments of $2,541,755 and property tax revenue of $2,419,975.

The capital projects fund had an ending fund balance of $6,199,646. The capital projects fund increased by $4,215,000 when compared to the previous year. The increase was due to a deposit of bond proceeds that will be expended in future periods.

The PID No. 1 fund reflected an ending fund balance of $3,933,794. The fund balance decreased $37,402, which is a result of debt service expenditures exceeding property assessments and other revenues.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Town's largest proprietary fund, the Storm Drainage Utility fund, totaled $2,178,398. Unrestricted net position at the close of the fiscal year for the Town's utility funds amounted to $986,864, an increase of $280,664 over the previous year. Total investment in capital assets, net of related debt was $1,191,534.

General Fund Budgetary Highlights

Total budgeted revenues of $11,723,459 were less than actual revenues of $13,108,890, resulting in a positive revenue variance of $1,385,431. The positive variance was primarily the result of greater than estimated revenues from sales tax, intergovernmental revenues, and charges for services. Charges for services were more than estimated due to the inclusion of sanitation charges received during the year, previously netted with expenses. Total budgeted expenditures of $11,953,320 were less than actual expenditures of $12,678,486, resulting in a negative expenditure variance of $725,165. The variance in total expenditures primarily related to sanitation, as discussed above, and capital outlay expenditures for capital equipment replacement.

Capital Assets

As of the end of the year, the Town's governmental activities funds had invested $66,002,719 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested $1,759,272 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, machinery and equipment, storm drainage system, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Land	$ 10,487,119	$ 10,463,669	$ -	$ -	$ 10,487,119	$ 10,463,669
Construction in progress	-	15,007	-	-	-	15,007
Buildings	8,854,289	9,236,150	-	-	8,854,289	9,236,150
Improvements other than buildings	34,222,345	36,414,471	29,195	32,531	34,251,540	36,447,002
Machinery and equipment	676,101	682,438	20,039	10,345	696,140	692,783
Vehicles	538,703	470,359	-	-	538,703	470,359
Water system	3,513,447	3,688,570	-	-	3,513,447	3,688,570
Infrastructure	7,710,715	8,073,694	1,710,038	1,761,121	9,420,753	9,834,815
Totals	$ 66,002,719	$ 69,044,358	$ 1,759,272	$ 1,803,997	$ 67,761,991	$ 70,848,355

Major capital asset events during the current year include the following:

- Purchase of new vehicles for fire and police.
- Purchase of new equipment for parks and recreation department.

More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Long-Term Debt

The Town's outstanding general obligation bonds, certificate of obligation bonds, and special assessment bonds, net of all premiums and discounts increased by $822,881 for governmental activities and decreased by $164,018 for business-type activities, from the prior year. The total bonds payable at the close of the fiscal year, was $47,474,808 for governmental-activities and $518,404 for business-type activities. Of this amount, $21,541,000 comprises of bonded debt backed by the full faith and credit of the Town, and the remaining represents bonds secured solely by self-supporting activities.

	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
General obligation bonds	$ 7,500,000	$ 9,005,000	$ -	$ -	$ 7,500,000	$ 9,005,000
Certificates of obligation	13,531,000	9,789,000	510,000	670,000	14,041,000	10,459,000
Special assessment bonds	22,645,000	23,985,000	-	-	22,645,000	23,985,000
Premiums on bonds	3,798,808	3,872,927	8,504	12,522	3,807,312	3,885,449
Totals	$ 47,474,808	$ 46,651,927	$ 518,504	$ 682,522	$ 47,993,312	$ 47,334,449

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Town is approximately 90% residential and 10% commercial, with both residential and commercial development substantially built out. The Town issued 2 residential construction permits in fiscal year 2021 and no new commercial permits. The Town estimates only 50-60 additional residential permits will be pulled in the future and 3-5 large commercial permits. The Town's 2022 budget will raise more total property taxes than the 2021 budget by $403,823 or 4.8%, and of that amount $268,377 is the tax revenue raised from new property added to the roll.

Budgeted capital expenditures include funds for the replacement of a fire engine, three patrol vehicles, obsolete handheld radios for the Police Department and the replacement of playground equipment at our Independence Park East.

In fiscal year 2022, General Fund revenues are budgeted to increase 4.85% over fiscal year 2021 estimated revenues, while expenditures are budgeted to increase by 0.22% over fiscal year 2021 estimated expenditures.

The fiscal year 2022 budget decreased the ad valorem tax rate to $0.445 per hundred dollars of assessed value.

Town of Trophy Club, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2021

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Trophy Club Finance Manager, 1 Trophy Wood Drive, Trophy Club, Texas, 76262. This information can also be accessed on the Town of Trophy Club's website at www.trophyclub.org.

TOWN OF
TROPHY CLUB

TOWN OF
TROPHY CLUB

Basic Financial Statements

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
Statement of Net Position
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	4B Economic Development Corporation
Assets				
Cash and cash equivalents	$ 22,522,830	$ 1,053,508	$ 23,576,338	$ 358,655
Taxes receivable, net	527,880	-	527,880	122,427
Special assessments receivable	21,789,856	-	21,789,856	-
Receivables, net	220,627	35,857	256,484	-
Due from other governments	7,505	-	7,505	-
Notes receivable	-	-	-	200,000
Prepaid and other assets	340,946	922	341,868	-
Capital assets not being depreciated	10,487,119	-	10,487,119	2,538,765
Capital assets, net of accumulated depreciation	55,515,600	1,759,272	57,274,872	310,721
Total assets	111,412,363	2,849,559	114,261,922	3,530,568
Deferred Outflows of Resources				
Pension related	589,600	-	589,600	-
OPEB related	74,592	-	74,592	-
Deferred charge on refunding	2,280,510	-	2,280,510	-
Total deferred outflows of resources	2,944,702	-	2,944,702	-
Liabilities				
Accounts payable	561,424	11,294	572,718	-
Accrued liabilities	572,290	-	572,290	-
Unearned revenue	1,542,591	-	1,542,591	-
Accrued interest payable	323,740	1,204	324,944	7,521
Noncurrent liabilities				
Due within one year:				
Bonds payable	3,538,000	165,000	3,703,000	110,000
Compensated absences	339,407	-	339,407	-
Due in more than one year:				
Bonds payable	43,936,808	353,504	44,290,312	1,936,457
Compensated absences	47,286	-	47,286	-
Total OPEB liability	381,486	-	381,486	-
Net pension liability	1,065,920	-	1,065,920	-
Total liabilities	52,308,952	531,002	52,839,954	2,053,978
Deferred Inflows of Resources				
Pension related	695,587	-	695,587	-
OPEB related	26,678	-	26,678	-
Total deferred inflows of resources	722,265	-	722,265	-
Net Position				
Net investment in capital assets	27,008,067	1,240,768	28,248,835	803,029
Restricted for:				
Municipal court	36,824	-	36,824	-
Debt service	4,375,732	-	4,375,732	87,491
Economic development	-	-	-	586,070
Public safety	284,013	-	284,013	-
PID Activities	21,789,856	-	21,789,856	-
Street maintenance	302,901	-	302,901	-
Tourism	1,726,744	-	1,726,744	-
Parks	536,001	-	536,001	-
Unrestricted	5,265,710	1,077,789	6,343,499	-
Total net position	$ 61,325,848	$ 2,318,557	$ 63,644,405	$ 1,476,590

Town of Trophy Club, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 1,381,483	$ 286,695	$ -	$ -
Manager's office	936,032	-	-	-
Human resources	280,147	-	-	-
Finance	512,144	-	-	-
Information services	647,888	-	-	-
Legal	118,756	-	-	-
Municipal court	49,837	110,550	-	-
Police	2,987,967	123,942	1,448	-
Fire	1,336,171	1,344,545	6,403	-
Emergency medical services	1,292,783	95,775	-	-
Facilities management	448,538	-	-	-
Parks and recreation	2,674,646	301,668	-	150,000
Community development	639,321	1,775	30,000	-
Tourism	317,005	-	-	-
Sanitation	1,057,653	1,058,213	-	-
Public works	2,308,861	9,670	-	-
Interest and fiscal charges on long-term debt	1,535,312	-	-	-
Total governmental activities	18,524,544	3,332,833	37,851	150,000
Business-type Activities				
Storm Drainage Utility	126,163	435,798	4,170	-
Trophy Club Park	125,692	185,981	-	-
Total business-type activities	251,855	621,779	4,170	-
Total primary government	$ 18,776,399	$ 3,954,612	$ 42,021	$ 150,000
Component Unit				
4B Economic Development Corporation	$ 268,655	$ -	$ -	$ -
Total component unit	$ 268,655	$ -	$ -	$ -

General Revenues and Transfers	
General revenues:	
Taxes	
Property taxes	
Sales and mixed beverage taxes	
Franchise and local taxes	
Occupancy tax	
Other revenues	
Investment Income	
Transfers	
Total general revenues and transfers	
Change in net position	
Net Position, Beginning, as Previously Reported	
Adjustment applicable to prior years	
Net Position, Beginning, as Restated	
Net Position, Ending	

Town of Trophy Club, Texas
Statement of Activities (Continued)
For the Year Ended September 30, 2021

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	4B Economic Development Corporation
$ (1,094,788)	$ -	$ (1,094,788)	$ -
(936,032)	-	(936,032)	-
(280,147)	-	(280,147)	-
(512,144)	-	(512,144)	-
(647,888)	-	(647,888)	-
(118,756)	-	(118,756)	-
60,713	-	60,713	-
(2,862,577)	-	(2,862,577)	-
14,777	-	14,777	-
(1,197,008)	-	(1,197,008)	-
(448,538)	-	(448,538)	-
(2,222,978)	-	(2,222,978)	-
(607,546)	-	(607,546)	-
(317,005)	-	(317,005)	-
560	-	560	-
(2,299,191)	-	(2,299,191)	-
(1,535,312)	-	(1,535,312)	-
(15,003,860)	-	(15,003,860)	-
-	313,805	313,805	-
-	60,289	60,289	-
-	374,094	374,094	-
(15,003,860)	374,094	(14,629,766)	-
			(268,655)
			(268,655)
9,940,633	-	9,940,633	-
2,035,404	-	2,035,404	669,026
869,212	-	869,212	-
392,660	-	392,660	-
62,904	-	62,904	-
72,940	325	73,265	22
(116,463)	116,463	-	-
13,257,290	116,788	13,374,078	669,048
(1,746,570)	490,882	(1,255,688)	400,393
63,204,419	1,827,675	65,032,094	944,196
(132,001)	-	(132,001)	132,001
63,072,418	1,827,675	64,900,093	1,076,197
$ 61,325,848	$ 2,318,557	$ 63,644,405	$ 1,476,590

Town of Trophy Club, Texas
Balance Sheet – Governmental Funds
September 30, 2021

	General	Debt Service	Capital Projects	PID No. 1	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 9,041,377	$ 422,840	$ 6,201,544	$ 3,963,579	$ 2,893,490	$ 22,522,830
Taxes receivable, net	342,231	19,098	-		166,551	527,880
Special assessment receivable	-	-	-	21,789,856	-	21,789,856
Accounts receivable, net	220,627	-	-	-	-	220,627
Due from other governments	7,505	-	-	-	-	7,505
Due from other funds	29,785	-	-	-	-	29,785
Prepaid and other assets	340,946	-	-	-	-	340,946
Advances from other funds	386,503	-	-	-	-	386,503
Total assets	$ 10,368,974	$ 441,938	$ 6,201,544	$ 25,753,435	$ 3,060,041	$ 45,825,932
Liabilities						
Accounts payable	$ 452,465	$ -	$ 1,898	$ -	$ 107,061	$ 561,424
Accrued liabilites	572,290	-	-	-	-	572,290
Unearned revenue	1,542,591	-	-	-	-	1,542,591
Due to other funds	-	-	-	29,785	-	29,785
Advances to other funds	-	-	-	-	386,503	386,503
Total liabilities	2,567,346	-	1,898	29,785	493,564	3,092,593
Deferred Inflows of Resources						
Unavailable revenue - property taxes	62,066	18,512	-	-	-	80,578
Unavailable revenue - fines and forfeitures	25,509	-	-	-	-	25,509
Unavailable revenue - emergency medical services	84,980	-	-	-	-	84,980
Unavailable revenue - special assessments	-	-	-	21,789,856	-	21,789,856
Unavailable revenue - property liens	25,317	-	-	-	-	25,317
Total deferred inflows of resources	197,872	18,512	-	21,789,856	-	22,006,240
Fund Balances						
Nonspendable:						
Prepaid items	340,946	-	-	-	-	340,946
Long-term interfund advances	386,503	-	-	-	-	386,503
Restricted						
Debt service	-	423,426	-	3,933,794	-	4,357,220
Capital projects	-	-	6,199,646	-	-	6,199,646
Municipal court	-	-	-	-	36,824	36,824
Public safety	-	-	-	-	284,013	284,013
Street maintenance	-	-	-	-	302,901	302,901
Tourism	-	-	-	-	1,726,744	1,726,744
Parks	-	-	-	-	536,001	536,001
Committed for:						
Recreation programs	-	-	-	-	7,710	7,710
Unassigned	6,876,307	-	-	-	(327,716)	6,548,591
Total fund balances	7,603,756	423,426	6,199,646	3,933,794	2,566,477	20,727,099
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 10,368,974	$ 441,938	$ 6,201,544	$ 25,753,435	$ 3,060,041	$ 45,825,932

Town of Trophy Club, Texas

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance per balance sheet		$ 20,727,099
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		66,002,719
Other long-term assets less related uncollectibles are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.		22,006,240
Accrued interest payable on long-term debt does not require current financial resources and therefore is not reported as a liability in the balance sheet of governmental funds.		(323,740)
Long-term liabilities, including bonds payable and net pension liability (and the related deferred inflows and deferred outflows) are not due and payable in the current period and therefore are not reported as liabilities, deferred outflows or deferred inflows in the governmental funds. Long-term liabilities consist of:		
General obligation bonds payable	$ (7,500,000)	
Certificate of obligation bonds payable	(13,531,000)	
Special Assessment Bonds	(22,645,000)	
Deferred amount on refunding	2,280,510	
Unamortized premiums on bonds	(3,798,808)	
Total other postemployment benefit (OPEB) liability	(381,486)	
Net pension liability	(1,065,920)	
Deferred outflows of resources – pension	589,600	
Deferred outflows of resources – OPEB	74,592	
Deferred inflows of resources – pension	(695,587)	
Deferred inflows of resources – OPEB	(26,678)	
Accrued compensated absences	(386,693)	
		(47,086,470)
Net position of governmental activities		$ 61,325,848

Town of Trophy Club, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	PID No.1	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property tax	$ 7,396,475	$ 2,419,973	$ -	$ -	$ 124,873	$ 9,941,321
Sales and mixed beverage taxes	1,383,994	-	-	-	651,410	2,035,404
Franchise and local taxes	869,212	-	-	-	-	869,212
Occupancy tax	-	-	-	-	392,660	392,660
Special assessments	-	-	-	2,195,144	-	2,195,144
License and permits	284,500	-	-	-	-	284,500
Intergovernmental	1,363,876	-	-	-	1,448	1,365,324
Charges for services	1,424,580	-	-	-	6,763	1,431,343
Fines and forfeitures	328,220	-	-	-	8,903	337,123
Investment income	29,353	741	7,015	34,638	1,193	72,940
Other revenue	28,680	14,290	-	-	169,934	212,904
Total revenues	13,108,890	2,435,004	7,015	2,229,782	1,357,184	19,137,875
Expenditures						
Current:						
General government	153,888	-	772,870	47,111	-	973,869
Manager's office	973,427	-	-	-	-	973,427
Human resources	287,521	-	-	-	-	287,521
Finance	528,002	-	-	-	-	528,002
Information services	595,432	-	-	-	-	595,432
Legal	118,756	-	-	-	-	118,756
Municipal court	47,930	-	-	-	3,417	51,347
Police	2,843,717	-	-	-	130,208	2,973,925
Fire	1,357,987	-	-	-	-	1,357,987
Emergency medical services	1,284,482	-	-	-	-	1,284,482
Facilities management	450,853	-	-	-	-	450,853
Parks and recreation	1,918,606	-	-	-	4,115	1,922,721
Community development	526,177	-	-	-	127,930	654,107
Tourism	197,113	-	-	-	122,830	319,943
Sanitation	1,057,653	-	-	-	-	1,057,653
Public works	-	-	-	-	204,633	204,633
Debt Service:						
Principal	-	2,068,000	-	1,340,000	-	3,408,000
Interest and fiscal charges	-	473,755	98,386	880,073	-	1,452,214
Capital outlay	336,942	-	23,450	-	148,356	508,748
Total expenditures	12,678,486	2,541,755	894,706	2,267,184	741,489	19,123,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,404	(106,751)	(887,691)	(37,402)	615,695	14,255
Other Financing Sources (Uses)						
Transfers in	156,082	-	500,000	-	30,153	686,235
Transfers out	(530,153)	(176,463)	-	-	(96,082)	(802,698)
Proceeds from general obligation bonds issued	-	-	4,305,000	-	-	4,305,000
Premium on general obligation bonds issued	-	-	297,691	-	-	297,691
Total other financing sources (uses)	(374,071)	(176,463)	5,102,691	-	(65,929)	4,486,228
Net Change in Fund Balances	56,333	(283,214)	4,215,000	(37,402)	549,766	4,500,483
Fund Balances, Beginning	7,547,423	706,640	1,984,646	3,971,196	2,016,711	16,226,616
Fund Balances, Ending	$ 7,603,756	$ 423,426	$ 6,199,646	$ 3,933,794	$ 2,566,477	$ 20,727,099

Town of Trophy Club, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds		$ 4,500,483
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.		
Capital outlay expenditures	$ 508,748	
Depreciation expense	(3,530,744)	
		(3,021,996)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations, and transfers to business-type activities) is to decrease net position.		(19,644)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount is the net change in deferred inflows of resources.		(2,243,438)
The issuance of long-term debt (e.g. bond proceeds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal amount of debt issued	$ (4,305,000)	
Amortization of bond premium	371,810	
Principal amount of debt paid to bondholders	3,408,000	
Net change in accrued interest payable	4,888	
Premium on bonds issued	(297,691)	
Net deferred offering charges and related debt issuance items	(459,796)	
		(1,277,789)
Some expenditures reported in the statement of revenues, expenditures, and changes in fund balances do not require the use of current financial resources but are reported as expenses in the statement of activities. This adjustment is to reflect the net change in accrued compensated absences.		(40,704)
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in total OPEB liability and related deferred outflows and inflows of resources balances.		(47,634)
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability and related deferred outflows and inflows of resources balances.		404,152
Change in net position of governmental activities		$ (1,746,570)

Town of Trophy Club, Texas
Statement of Net Position – Proprietary Funds
September 30, 2021

	Business-type Activities		
		Nonmajor Fund	
	Storm Drainage Utility	Trophy Club Park	Total
Assets			
Current assets			
Cash and cash equivalents	$ 959,446	$ 94,062	$ 1,053,508
Accounts receivable	35,857	-	35,857
Prepaid items	-	922	922
Total current assets	995,303	94,984	1,090,287
Noncurrent assets			
Capital assets:			
Net depreciable capital assets	1,710,038	49,234	1,759,272
Total noncurrent assets	1,710,038	49,234	1,759,272
Total assets	2,705,341	144,218	2,849,559
Liabilities			
Current liabilities			
Accounts payable	7,235	4,059	11,294
Accrued interest	1,204	-	1,204
Long-term debt due within one year	165,000	-	165,000
Total current liabilities	173,439	4,059	177,498
Noncurrent liabilities:			
Long-term debt due in more than one year	353,504	-	353,504
Total liabilities	526,943	4,059	531,002
Net Position			
Net investment in capital assets	1,191,534	49,234	1,240,768
Unrestricted	986,864	90,925	1,077,789
Total net position	$ 2,178,398	$ 140,159	$ 2,318,557

Town of Trophy Club, Texas

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities		
		Nonmajor Fund	
	Storm Drainage Utility	Trophy Club Park	Total
Operating Revenues			
Charges for services	$ 435,798	$ 185,981	$ 621,779
Total operating revenues	435,798	185,981	621,779
Operating Expenses			
Salaries and benefits	-	49,489	49,489
Supplies and materials	-	5,694	5,694
Repairs and maintenance	6,121	18,512	24,633
Utilities	5,900	9,441	15,341
Contractual services	51,270	36,416	87,686
Depreciation	51,083	6,140	57,223
Total operating expenses	114,374	125,692	240,066
Operating Income	321,424	60,289	381,713
Nonoperating Revenues (Expenses)			
Intergovernmental	-	4,170	4,170
Investment income	325	-	325
Interest expense	(11,789)	-	(11,789)
Total nonoperating revenues (expenses)	(11,464)	4,170	(7,294)
Income Before Capital Contributions and Transfers	309,960	64,459	374,419
Transfers in	176,463	-	176,463
Transfers out	(40,000)	(20,000)	(60,000)
Change in Net Position	446,423	44,459	490,882
Net Position, Beginning	1,731,975	95,700	1,827,675
Net Position, Ending	$ 2,178,398	$ 140,159	$ 2,318,557

Town of Trophy Club, Texas
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities		
	Storm Drainage Utility	Nonmajor Fund Trophy Club Park	Total
Cash Flows from Operating Activities			
Receipts from customers and users	$ 440,694	$ 236,252	$ 676,946
Payments to suppliers and service providers	(56,056)	(75,781)	(131,837)
Payments to employees for salaries and benefits	-	(51,160)	(51,160)
Net cash provided by operating activities	384,638	109,311	493,949
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(40,000)	(20,000)	(60,000)
Transfers from other funds	176,463	-	176,463
Operating grants	-	4,170	4,170
Net cash provided by (used for) noncapital financing activities	136,463	(15,830)	120,633
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(12,498)	(12,498)
Interest paid on capital debt	(16,466)	-	(16,466)
Principal paid on capital debt	(160,000)	-	(160,000)
Net cash used for capital and related financing activities	(176,466)	(12,498)	(188,964)
Cash Flows from Investing Activities			
Interest on investments	325	-	325
Net cash provided by investing activities	325	-	325
Net Increase in Cash and Cash Equivalents	344,960	80,983	425,943
Cash and Cash Equivalents, Beginning	614,486	13,079	627,565
Cash and Cash Equivalents, Ending	$ 959,446	$ 94,062	$ 1,053,508
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 321,424	$ 60,289	$ 381,713
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	51,083	6,140	57,223
Changes in operating assets and liabilities:			
(Increase) Decrease in:			
Accounts receivable	4,896	50,271	55,167
Prepaid items	-	1,975	1,975
Increase (Decrease) in:			
Accounts payable	7,235	(9,364)	(2,129)
Net cash provided by operating activities	$ 384,638	$ 109,311	$ 493,949

TOWN OF
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Notes to Financial Statements

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
Notes to the Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies

The Town of Trophy Club (Town) is a "home rule town" incorporated in 1985. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and emergency medical services), parks, public works (public improvements, streets, planning, and zoning), and general administrative services.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The Town currently has no fiduciary activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

Financial Reporting Entity

The Town of Trophy Club is a municipal corporation governed by an elected mayor and a six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the primary government.

Blended Component Units

Public Improvement District (PID) No. 1

On May 7, 2007, the Trophy Club Town Council approved Resolution 2007-08 authorizing and providing for the creation of a Public Improvement District. Trophy Club PID No.1 consists of approximately 609.68 acres within the corporate limits of the Town of Trophy Club. This District was created in accordance with Chapter 372 of the Texas Local Government Code. The PID issued refunding bonds in December 2015, with the approval of Town Council. The Town Council must review and update the service plan annually for the purpose of determining the annual budget for the PID No. 1. In addition, the PID No. 1 exclusively or almost exclusively benefits the primary government. The PID No. 1 is reported as major special revenue fund and does not issue separate financial statements.

Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1)

The Tax Increment Reinvestment Zone No. 1 is governed by a board appointed by the Town's Council. The Town can impose its will on the TIRZ No. 1 and affect the day-to-day operations of the TIRZ No. 1 by removing appointed board members at will. The TIRZ No. 1 is funded by revenues generated through tax increment financing. Therefore, the primary government has an obligation to provide support to the TIRZ No. 1 (a financial burden). The TIRZ No. 1 is reported as a nonmajor special revenue fund and does not issue separate financial statements.

Crime Control and Prevention District

The Crime Control and Prevention District (CCPD) was formed under Chapter 363 of the Texas Local Government Code, the *Crime Control and Prevention Act*. The CCPD is organized exclusively to act on behalf of the Town to finance crime control within the Town. The CCPD is governed by a seven member board appointed by the Town Council. The annual budget and issuance of debt must be approved by the Town Council. The CCPD provides services entirely, or almost entirely to the primary government. The CCPD is reported as a nonmajor special revenue fund and does not issue separate financial statements.

Discretely Presented Component Unit

4B Economic Development Corporation

The 4B Economic Development Corporation (4B) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the 4B and affect the day-to-day operations of the 4B by removing appointed board members at will. The scope of public service of the 4B benefits the Town and its citizens and is operated within the geographic boundaries of the Town. Since the 4B's governing body is not substantively the same as the governing body of the primary government, does not provide services entirely, or almost entirely to the primary government, nor does it maintain debt of any type that are repaid using Town resources, it has been reported as a discretely presented component unit. Separate financial statements for 4B component unit are not prepared.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the Town has one discretely presented component unit. It is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its blended component units. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- **General Fund –** The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

- **Debt Service Fund –** The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

- **Capital Projects Fund –** The Capital Projects Fund is used to account for funds received and expended for acquisition and construction of infrastructure and other capital assets.

- **Public Improvement District (PID) No. 1 –** This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town for the Public Improvement District.

The Town reports the following major enterprise fund:

- **Storm Drainage Utility Fund –** The storm drainage fund accounts for the storm drainage utility fee designated for the maintenance of the Town's storm drainage system.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 years of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for the general, hotel occupancy tax, street maintenance sales tax, court technology, court security, recreation programs, park land dedication, crime control and prevention district, and TIRZ No. 1 funds. The capital projects fund is appropriated on a project-length basis. The grants fund does not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Town Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without Town Council approval.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

Deposits and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool and Texas Class, these investments are considered to be cash equivalents.

State statutes authorize the Town to invest in: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are: (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds of governmental fund cash and investments are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, legal restrictions, or restrictions in place by outside parties.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 Years
Improvements other than buildings	10-30 Years
Improvements other than buildings (streets)	30 Years
Machinery and equipment	7-15 Years
Vehicles	5-10 Years
Water system	25 Years
Infrastructure (storm drainage system)	40 Years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category. The three items are is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to contributions after the measurement date and changes in actuarial assumptions.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: property taxes, special assessments, fines and forfeitures, and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the Town reports deferred amounts related to pension and OPEB relating to the difference between projected and actual investment earnings, changes in actuarial assumptions, and difference in expected and actual economic experience.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures.

In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

The Town has two single-employer defined benefit other postemployment benefit (OPEB) plans (Plans). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance represents amounts that can be used only for the specific purposes determined by of the adoption of an ordinance committing fund balance for a specified purpose by the Town's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- Assigned fund balance represents amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director and town manager to assign fund balance. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Accumulated Vacation, Compensated Time, and Sick Leave

It is the Town's policy to permit employees to accumulate earned, but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of GASB Statements No. 84, *Fiduciary Activities*, (GASB 84) and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 (GASB 97)

During 2021, the Town implemented GASB 84 and GASB 97. These statements establish criteria for identifying fiduciary activities of all state and local governments. The adoption of GASB 84 and GASB 97 had no impact on the Town's financial statements.

Future Adoption of Accounting Pronouncements

The GASB has issued the following statements which will be effective in future years as described below. The impact on the Town's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 87, *Leases*, is effective for the Town's fiscal year 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments through increasing the usefulness of governments' financial statements by requiring recognition of certain leases assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB Statement No. 94, Public-*Private and Public-Private Partnerships (PPPs) and Availability Payment Arrangements*, is effective for the Town's fiscal year 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), is effective for the Town's fiscal year 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Note 2: Stewardship, compliance, and accountability

Deficit Fund Equity

At September 30, 2021, the Tax Increment Reinvestment Zone No. 1 fund had a deficit fund balance of $327,716. The deficit balances will be eliminated in the future as assessed values continue to increase as a result of growth and development within the TIRZ.

Note 3: Cash and Investments

The Town utilizes a pooled cash and investment concept for all its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Deposits

At September 30, 2021, the carrying amount of the Town's demand deposits, including its component unit, totaled $15,380,614 and the bank balance was $15,648,112. Cash on hand for the Town was $600 and the carrying amount of cash for the Public Improvement District No. 1 was $3,963,579.

Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank's failure, the Town's deposits may not be returned to it. Pursuant to provisions of both the *Texas Public Funds Investment Act* and the Public Funds Investment Policy of the Town, deposits of the Town that exceed the federal depository insurance coverage levels are materially collateralized with securities held by a third party custodian in the Town's name. Investments, other than investments that are obligations of the U.S. government, its agencies, and instrumentalities, are insured or registered in the Town's name and held by a third party custodian.

Investments

The Town's investment policies are governed by state statutes. The Town's investment policies further limit state statutes such that eligible investments include the following:

1. Obligations, including letters of credit, of the United States, its agencies, and instrumentalities, including the Federal Home Loan Banks.

2. Direct obligations of the State of Texas, its agencies and instrumentalities or obligations of agencies, counties, cities, and other political subdivisions of this State rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent.

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

4. Certificates of Deposit and other forms of deposit issued by a depository institution that has its main office or a branch office in Texas. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor or secured by obligations in a manner and amount as provided by law. In addition, deposits obtained through a depository institution that has its main office or a branch office in Texas and that contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256. 01 0(b) of the *Public Funds Investment Act* are authorized investments. Additionally, funds invested by the Town through a broker that has a main office or branch office in Texas and is selected from a list approved by the Town as required by section 2656.025 of the *Public Funds Investment Act* or a depository institution that has a main office or branch office in Texas and is selected by the Town are authorized investments if the following conditions are met:

a. the broker or depository institution selected by the Town as specified above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Town;

b. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

c. the Town appoints a depository bank, or a clearing broker registered with the Securities and Exchange Commission Rule 15c-3 (17CFR, Section 240 15c3-3) as custodian for the Town with respect to the certificates of deposit issued for account to the Town.

5. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the Town of Trophy Club, held in an account in the Town of Trophy Club's name, and deposited at the time the investment is made with the Town of Trophy Club or with a third-party selected and approved by the Town of Trophy Club. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement, or similar agreement, must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery versus payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 102 percent at the time funds are disbursed. (This section pertains to Sweep Accounts and/or Bond Proceeds)

6. No-Load Money Market Mutual funds that: 1) are registered and regulated by the Securities and Exchange Commission and provide a prospectus and other information required by the *Securities and Exchange Act of 1934* (15 U.S.C. Section 78a) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1), and 2) seek to maintain a stable net asset value of $1.0000 per share.

7. Local government investment pools, which: 1) meet the requirements of Chapter 2256.016 of the *Public Funds Investment Act*, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by the Town Council. In addition, a local government investment pool created to function as a money market mutual fund must mark its portfolio to the market daily and, to the extent reasonably possible, stabilize at a $1.0000 net asset value.

Investment Pools

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2021, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience, and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas *Public Funds Investment Act*. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management. At September 30, 2021, the fair value of the position in Texas CLASS approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Interest rate risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years.

As of September 30, 2021, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1 Year
Texas CLASS	$ 2,180,747	$ 2,180,747
TexPool	2,409,513	2,409,513
Total	$ 4,590,260	$ 4,590,260

Credit Risk

The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2021, all of the Town's purchased investments in U.S. Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the Town's investment in a single issuer. The Town's investment policy states that the investment portfolio shall be diversified so that potential losses on individual issuers will be minimized. At September 30, 2021, the Town's investments are 100% in investment pools.

Fair Value of Investments

The Town measures and records its investments using, as appropriately, fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- **Level 1:** Quoted prices for identical investments in active markets;
- **Level 2:** Observable inputs other than those in Level 1; and
- **Level 3:** Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices. At September 30, 2021, the Town had the no investments in the fair value hierarchy.

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included below approximate net asset value for the applicable external investment pool balances. Additionally, the Town has investments in governmental pools as listed below, which are recorded at amortized cost, and excluded from the fair value hierarchy.

At September 30, 2021, the Town had the following investments:

Investments measured at net asset value	
Texas Class	$ 2,180,747
Investments measured at amortized cost	
TexPool	2,409,513
Total investments	$ 4,590,260

Note 4: Receivables

Below is the detail of receivables for the Town's major and nonmajor funds, including the applicable allowances for doubtful accounts:

	General	Debt Service	PID No. 1	Nonmajor Governmental	Storm Drainage Utility	Total
Receivables						
Property taxes	$ 62,066	$ 19,098	$ -	$ -	$ -	$ 81,164
Sales Tax	240,632	-	-	121,094	-	361,726
Franchise taxes	39,533	-	-	-	-	39,533
Hotel occupancy	-	-	-	45,457	-	45,457
Special assessments	-	-	21,789,856	-	-	21,789,856
Due from other governments	7,505	-	-	-	-	7,505
Municipal court	62,337	-	-	-	-	62,337
EMS	895,813	-	-	-	-	895,813
Storm drainage	-	-	-	-	35,857	35,857
Other	110,137	-	-	-	-	110,137
Gross receivables	1,418,023	19,098	21,789,856	166,551	35,857	23,429,385
Less: allowance for doubtful accounts	(847,660)	-	-	-	-	(847,660)
Net receivables	$ 570,363	$ 19,098	$ 21,789,856	$ 166,551	$ 35,857	$ 22,581,725

Based on the payment schedule for special assessment receivables, approximately $19,557,000 of the amount reported in the PID No. 1 fund is not expected to be collected within the next year.

Note 5: Capital Assets

Capital assets activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Sales/ Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 10,463,669	$ 23,450	$ -	$ -	$ 10,487,119
Construction in progress	15,007	-	-	(15,007)	-
Total capital assets, not being depreciated	10,478,676	23,450	-	(15,007)	10,487,119
Capital assets, being depreciated:					
Buildings	10,655,319	4,600	-	-	10,659,919
Improvements other than buildings	64,884,269	31,766	-	15,007	64,931,042
Machinery and equipment	2,558,333	227,354	(227,656)	-	2,558,031
Vehicles	1,506,695	221,578	(208,322)	-	1,519,951
Water system	5,362,005	-	-	-	5,362,005
Infrastructure	14,332,062	-	-	-	14,332,062
Total capital assets, being depreciated	99,298,683	485,298	(435,978)	15,007	99,363,010
Less accumulated depreciation for:					
Buildings	1,419,169	386,461	-	-	1,805,630
Improvements other than buildings	28,469,798	2,238,899	-	-	30,708,697
Machinery and equipment	1,875,895	221,010	(214,975)	-	1,881,930
Vehicles	1,036,336	146,272	(201,360)	-	981,248
Water system	1,673,435	175,123	-	-	1,848,558
Infrastructure	6,258,368	362,979	-	-	6,621,347
Total accumulated depreciation	40,733,001	3,530,744	(416,335)	-	43,847,410
Total capital assets, being depreciated, net	58,565,682	(3,045,446)	(19,643)	15,007	55,515,600
Governmental activities capital assets, net	$ 69,044,358	$ (3,021,996)	$ (19,643)	$ -	$ 66,002,719

	Beginning Balance	Additions	Sales/ Disposals	Transfers	Ending Balance
Business-Type activities:					
Capital assets, being depreciated:					
Machinery and equipment	$ 24,112	$ 12,498	$ -	$ -	$ 36,610
Improvements	33,365	-	-	-	33,365
Infrastructure	2,039,766	-	-	-	2,039,766
Total capital assets, being depreciated	2,097,243	12,498	-	-	2,109,741
Less accumulated depreciation for:					
Machinery and equipment	13,767	2,804	-	-	16,571
Improvements	834	3,336	-	-	4,170
Infrastructure	278,645	51,083	-	-	329,728
Total accumulated depreciation	293,246	57,223	-	-	350,469
Total capital assets, being depreciated, net	1,803,997	(44,725)	-	-	1,759,272
Business-type activities capital assets, net	$ 1,803,997	$ (44,725)	$ -	$ -	$ 1,759,272

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 392,136
Emergency medical services	50,608
Information systems	49,869
Police	114,085
Fire	21,461
Parks and recreation	794,974
Streets (Infrastructure)	2,107,611
Total governmental activities depreciation expense	$ 3,530,744
Business-type Activities	
Trophy Club Park	$ 6,140
Storm Drainage Utility	51,083
Total business-type activities	$ 57,223

Note 6: Long-term Liabilities

The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2021.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 9,005,000	$ -	$ 1,505,000	$ 7,500,000	$ 905,000
Certificates of Obligation	9,789,000	4,305,000	563,000	13,531,000	1,400,000
Special Assessment Bonds	23,985,000	-	1,340,000	22,645,000	1,233,000
Bond Premiums	3,872,927	297,691	371,810	3,798,808	-
Total bonds payable	46,651,927	4,602,691	3,779,810	47,474,808	3,538,000
Compensated absences	345,989	297,365	(256,661)	386,693	339,407
Total government activities	$ 46,997,916	$ 4,900,056	$ 3,523,149	$ 47,861,501	$ 3,877,407
Business-Type Activities:					
Certificates of Obligation	$ 670,000	$ -	$ 160,000	$ 510,000	$ 165,000
Bond Premiums	12,522		4,018	8,504	-
Total bonds payable	682,522	-	164,018	518,504	165,000
Total business-type activities	$ 682,522	$ -	$ 164,018	$ 518,504	$ 165,000

The Town intends to retire all of its governmental activities general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The special assessment bonds are expected to be liquidated from the PID No. 1 fund. The general fund has typically been used to liquate the liability for compensated absences for governmental activities. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund.

General Obligation Bonds

The Town issues general obligation bonds and certificates of obligations to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds and certificates of obligation outstanding at September 30, 2021, are as follows:

Governmental Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
General Obligation Bonds:				
Refunding	2.18	2025	$ 2,030,000	$ 950,000
Improvements	2.00-3.00	2036	5,245,000	4,065,000
Refunding	1.16	2030	3,550,000	2,485,000
				$ 7,500,000
Certificate of Obligations:				
Combination Tax and Revenue Series 2004	3.50-4.75	2024	650,000	$ 101,000
Certificates of Obligation Series 2013	2.50-3.25	2028	1,300,000	750,000
Certificates of Obligation Series 2014	2.00-4.00	2034	2,500,000	1,790,000
Certificates of Obligation Series 2016	2.00-4.00	2036	4,210,000	3,405,000
Certificates of Obligation Series 2017	2.50-3.00	2037	4,445,000	3,180,000
Certificates of Obligation Series 2021	2.00-4.00	2041	4,305,000	4,305,000
				$ 13,531,000

Business-type Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Certificates of Obligation Series 2013	2.50-3.00	2024	$ 1,700,000	$ 510,000
				$ 510,000

Special Assessment Bonds

The Town also issued special assessment debt in 2015 to provide funds for improvements within Trophy Club PID No. 1 area. These bonds will be repaid from special assessments levied on the property owners benefiting from this construction. Those amounts, including interest, are 100% pledged to pay the scheduled principal and interest payments on the special assessment bonds. The Town is not obligated to pay the bonds from any funds raised from taxation or from any other revenues available to the Town.

Governmental Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Special Assessment:				
Special Assessment Revenue Refunding-Series 2015	2.00-4.00	2033	$ 26,154,979	$ 22,645,000
				$ 22,645,000

The debt service requirements for the Town's bonds are as follows:

	Governmental Activities			Business-type Activities		
Year Ended September 30,	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2022	$ 3,538,000	$ 175,760	$ 3,713,760	$ 165,000	$ 12,194	$ 177,194
2023	3,357,000	153,611	3,510,611	170,000	7,588	177,588
2024	2,949,000	136,627	3,085,627	175,000	2,625	177,625
2025	3,072,000	121,820	3,193,820	-	-	-
2026	3,018,000	106,546	3,124,546	-	-	-
2027-2031	14,078,000	371,858	14,449,858	-	-	-
2032-2036	12,389,000	163,800	12,552,800	-	-	-
2037-2041	1,275,000	8,800	1,283,800	-	-	-
Total	$ 43,676,000	$ 1,238,822	$ 44,914,822	$ 510,000	$ 22,407	$ 532,407

Note 7: Interfund Transactions

Due to/from other funds

The composition of interfund balances as of September 30, 2021, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	PID No. 1	$ 29,785
		$ 29,785

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Fund	$ 386,503
		$ 386,503

The amount payable to the general fund relates to a working capital loan made to a nonmajor governmental fund. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers

The composition of interfund transfers for the year ended September 30, 2021, is as follows:

	Transfer In				
Transfer Out:	General	Capital Projects	Nonmajor Governmental Funds	Storm Drainage Utility Fund	Total
General Fund	$ -	$ 500,000	$ 30,153	$ -	$ 530,153
Debt Service Fund	-	-	-	176,463	176,463
Nonmajor Governmental Funds	96,082	-	-	-	96,082
Storm Drainage Utility Fund	40,000	-	-	-	40,000
Nonmajor Enterprise Fund	20,000	-	-	-	20,000
Total	$ 156,082	$ 500,000	$ 30,153	$ 176,463	$ 862,698

Transfers were primarily used to support debt service, capital expenditures, and to transfer funds to the general fund for administrative costs.

Note 8: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the Town's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the Town's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

Note 9: Contingencies

Litigation

The Town is involved in lawsuits with other parties from time to time. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Federal Grant Programs

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the *Single Audit Act* as amended. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, will be immaterial

Note 10: Defined Benefit Pension Plan

Plan Description

The Town participates as one of 895 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Comprehensive Annual Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the Town-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the Town were as follows:

Member Deposit Rate	7%
Town Matching Ratio	2 to 1
Updated Service Credit	100% Transfers
Annuity Increases to Retirees	30% CPI-U since retirement date
Vesting	5 years
Service Retirement Eligibilities	5 years/age 60, 20 years/any age

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	108
Active employees	78
	233

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the Town were 13.09% and 13.45% in calendar years 2020 and 2021, respectively. The Town's contributions to TMRS for the year ended September 30, 2021, were $810,363 and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between: (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, Beginning of Year	$ 21,618,605	$ 20,227,825	$ 2,782,644
Changes for the year:			
Service cost	1,044,859	-	1,044,859
Interest (on the Total Pension Liability)	1,466,317	-	1,466,317
Difference between expected and actual experience	(142,491)	-	(142,491)
Changes in assumptions	-	-	-
Contributions - member	-	406,480	(406,480)
Contributions - employer	-	760,116	(760,116)
Net investment income	-	1,537,272	(1,537,272)
Benefit payments, including refunds of member contributions	(835,638)	(835,638)	-
Administrative expense	-	(9,935)	9,935
Other	-	(388)	388
Net Changes	1,533,047	1,857,907	(324,860)
Balance, End of Year	$ 23,151,652	$ 22,085,732	$ 1,065,920

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability (asset)	$ 4,702,220	$ 1,065,920	$ (1,868,683)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City/Town. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2021, the Town recognized a pension expense of $406,211.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	$ -	$ 572,105
Changes in actuarial assumptions	-	298
Difference in expected and actual economic experience	-	123,184
Contributions subsequent to the measurement date	589,600	-
	$ 589,600	$ 695,587

$589,600 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Net Deferred Inflows of Resources
2022	$ (284,567)
2023	(44,296)
2024	(332,346)
2025	(34,378)
	$ (695,587)

Allocation of Pension Items

The Town allocates pension items to the governmental activities on the basis of employee payroll funding. The net pension liability is liquidated by the General Fund, Street Maintenance Sales Tax Fund, and Hotel Occupancy Tax Fund.

Note 11: Other Postemployment Benefits (OPEB)

A summary of the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Governmental Activities				
Supplemental Death Benefits Plan	$ 313,840	$ 74,592	$ 20,957	$ 43,502
Retiree Health Care Plan	67,646	-	5,721	7,082
Total governmental activities	$ 381,486	$ 74,592	$ 26,678	$ 50,584

Texas Municipal Retirement System Supplemental Death Benefits Fund

Plan Description

Texas Municipal Retirement System (TMRS) administers an optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide supplemental death benefits for their active Members with optional coverage for their retirees. The Town has elected to participate in the SBDF for its active members, including retirees. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75).

Benefits Provided

The death benefit for active Members provides a lump-sum payment approximately equal to the Member's annual salary (calculated based on the Member's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	28
Active employees	78
	136

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the Town. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active Member and retiree deaths on a pay-as-you-go basis. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the Town's yearly contributions for retirees.

The retiree portion of the contribution rates for the Town to the SDBF were 0.02% and 0.06% in calendar years 2020 and 2021, respectively. The Town's contributions to the SBDF for the year ended September 30, 2021, were $1,144, and were equal to the required contributions.

Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00% (2.75% in prior year)
Retirees' share of benefit- related costs	$0

All administrative expenses are paid through the Town's Pension Trust and accounted for under reporting requirements of GASB Statement No. 68. Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Mortality rates for disabled annuitants were based on the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance, Beginning of Year	$ 251,655
Changes for the year	
Service cost	21,744
Interest on Total OPEB Liability	7,204
Differences between expected and actual experience	(12,515)
Changes of assumptions	46,896
Benefit payments	(1,144)
Net changes	62,185
Balance, End of Year	$ 313,840

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 2.00%, as well as what the Town's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage- point higher (3.00%) than the current rate:

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB liability	$ 394,822	$ 313,840	$ 253,506

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the Town recognized OPEB expense of $43,502.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ 13,267
Changes in assumptions	71,962	7,690
Contributions made subsequent to measurement date	2,630	-
	$ 74,592	$ 20,957

The Town reported $2,630 as reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Outflows of Resources
2022	$ 14,554
2023	13,636
2024	12,407
2025	9,862
2026	546
	$ 51,005

Retiree Health Care Plan

Plan Description

The Town offers retired employees and their dependents the option to retain health, dental, and vision insurance coverage under the Town's insurance carrier until the age 65 through a single employer defined benefit plan. The Town does not make a direct contribution for retiree medical coverage. The retirees participate in the same plan as active employees. This effect on cost is considered to be an implicit rate subsidy. To be eligible for retiree health plan benefits, retired employees must be at least age 55 and have 10 years of service with the Town. The plan does not issue a separate report. Benefit provisions for retirees are not mandated by any form of employment agreement and the continued provision of these benefits is based entirely on the discretion of the Town Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

Retiree medical coverage levels for retirees are the same plans and benefits for all active employees in accordance with the terms and conditions of the Town's current health plan. Premiums for the retiree health plans are 195% of the current contribution rate for active employees. The plans themselves are the same as well with regard to benefits and structure with no differentiation. The contributions and coverage continues until the retiree reaches age 65.

Employees Covered by Benefit Terms

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	-
Active employees	67
	67

Total OPEB Liability

The Town's Total OPEB Liability was measured as of September 30, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020.

Actuarial Assumptions:

The Total OPEB Liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.50%, including inflation
Discount rate	2.25%
Retirees' share of benefit- related costs	Retiree pays a 195% of the active employee monthly contribution rate for medical/ dental/vision coverage
Health-care cost trend rates	Level 4.50%

Mortality rates were based on RPH-2014 Total Table with Projection MP-2019. Because the Retiree Health Care Plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Bond Buyer GO-Bond 20 index as of the measurement date.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance, Beginning of Year	$ 59,587
Changes for the year	
Service cost	6,570
Interest on Total OPEB Liability	1,489
Benefit payments	-
Net changes	8,059
Balance, End of Year	$ 67,646

Rate Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the Town, calculated using the discount rate of 2.25%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage- point higher (3.25%) than the current rate:

	1% Decrease in Discount Rate (1.25%)	Discount Rate (2.25%)	1% Increase in Discount Rate (3.25%)
Total OPEB liability	$ 75,894	$ 67,646	$ 60,244

The following presents the total OPEB liability of the Town, calculated using the healthcare cost trend rate of 4.5%, as well as what the Town's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (3.5%) or 1-percentage- point higher (4.5%) than the current rate:

	1% Decrease in Trend Rate (3.50%)	Healthcare Trend Rate (4.50%)	1% Increase in Trend Rate (5.50%)
Total OPEB liability	$ 57,669	$ 67,646	$ 79,634

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the Town recognized OPEB expense of $7,082.

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ 890
Changes in assumptions	-	4,831
	$ -	$ 5,721

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Inflows of Resources
2022	$ (977)
2023	(977)
2024	(977)
2025	(977)
2026	(977)
Thereafter	(836)
	$ (5,721)

Allocation of OPEB Items

The Town allocates OPEB items to the governmental activities on the basis of employee payroll funding. The total OPEB liability is liquidated by the General Fund, Street Maintenance Sales Tax Fund, and Hotel Occupancy Tax Fund.

Note 12: Deferred Compensation Plan

The Town has established a single-employer defined contribution, deferred compensation plan (457 Plan) in accordance with Internal Revenue Code, Section 457(b). The 457 Plan is available to all full-time employees of the Town. The 457 Plan is administered by ICMA Retirement Corporation doing business as MissionSquare Retirement. Benefit provisions are contained in the plan document and were established and can be amended by action of the Town Council. All 457 Plan assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the Town.

The 457 Plan permits employees to defer a portion of their salaries until future years. The benefits of the 457 Plan are not available to employees until termination, retirement, or unforeseeable emergency. Benefits are available to employee's beneficiaries in case of death. The Town does not contribute to the 457 Plan.

Note 13: Operating Leases Receivable

The Town leases space on its elevated storage tower to three telecommunication companies for antenna sites. All of the telecommunication companies have the automatic renewals of the lease for additional periods of five years with increased rental payments. The amount received for rental payments for the year ended September 30, 2021 amounted to $90,856. The future minimum rental payments receivable are as follows:

Year Ended September 30,	Future Minimum Rental Amounts
2022	$ 29,939
2023	47,234
2024	48,318
2025	49,428
2026	50,565
2027-2031	270,847
2032-2036	303,636
2037-2041	340,571
2042-2046	132,894
	$ 1,273,432

Note 14: Tax Abatements

The Town enters into tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. The Town has the authority under both Article III, Section 52-a of the Texas Constitution and Chapter 380 to make public funds available for the purposes of promoting local economic development and stimulating business and commercial activity with the Town. The Town offers individual incentive packages to attract new business to the Town. Abatements may be granted by Town Council resolution to companies or developers agreeing to relocate to the Town or to establish a new business in the Town. As part of the agreements, the Town agrees to refund a portion of incremental Local Sales and Use Tax, Type B Sales and Use Tax, and/or Property Taxes after confirmation of payment. The agreements entered into by the Town include clawback provisions should the recipient of the tax abatement fail to fully meet its commitments, such as annual sales levels or appraised values of real and personal property located on the project site. As a part of these agreements, the Town may also provide Developers financial assistance for Developer’s expenditures made towards the Project.

In addition to tax abatements, the Town occasionally makes additional commitments in its economic development incentive agreements. The following additional commitments have been made:

- The Town has agreed to provide a loan of $200,000 to fund certain permanent improvements to a building related to a qualified project. The loan is to be paid back with interest of 2% calculated annually within four years of the date the Certificate of Occupancy is issued. The current loan amount is the note receivable balance in the 4B Economic Development Corporation.

For the fiscal year ended September 30, 2021, the Town has two open tax abatement agreements and abated the following amounts under these agreements:

Open Agreements - Type of Tax Abatement	Amount of Taxes Abated during the Fiscal Year
Town of Trophy Club	
Property Taxes	$ 103,046
Sales Taxes	24,883
4B Economic Corporation	
Sales Taxes	-
	$ 127,929

Note 15: 4B Economic Development Corporation (4B)

The 4B Economic Development Corporation (4B) is financed with a voter approved half-cent Town sales tax, to aid, promote and further the economic development within the Town.

Cash and Investments

Cash and cash equivalents for the 4B as of September 30, 2021, consist of and are classified in the accompanying financial statements as follows:

Cash and cash equivalents	$ 358,655
Total cash and cash equivalents	$ 358,655

Investments

Because the Town provides investment services for the 4B, the Town adheres to its investment policy and all state statutes when investing available cash for the Town. The 4B's investments balances at September 30, 2021, were $309,829 and were in held in TexPool.

Note Receivable

In connection with an economic development incentive agreement, as noted above, 4B has agreed to provide a loan of $200,000 to fund certain permanent improvements to a building related to a qualified project. The loan is to be paid back with interest of 2% calculated annually within four years of the date the Certificate of Occupancy is issued. Scheduled note receivable payments are as follows:

Year Ended September 30,	Future Minimum Note Receivable Amounts
2022	$ 50,000
2023	50,000
2024	50,000
2025	50,000
Total	$ 200,000

Capital Assets

Capital asset activity for the year ended September 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit Activities				
Capital assets, not being depreciated:				
Land	$ 2,538,765	$ -	$ -	$ 2,538,765
Total capital assets, not being depreciated	2,538,765	-	-	2,538,765
Capital assets, being depreciated:				
Infrastructure	367,960	-	-	367,960
Total capital assets, being depreciated	367,960	-	-	367,960
Less accumulated depreciation for:				
Infrastructure	32,708	24,531	-	57,239
Total accumulated depreciation	32,708	24,531	-	57,239
Total capital assets, being depreciated, net	335,252	(24,531)	-	310,721
Total capital assets	$ 2,874,017	$ (24,531)	$ -	$ 2,849,486

Depreciation expense charged to the 4B component unit was $24,531.

Long-term Debt

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2021, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Component Unit Activities					
Sales Tax Revenue Bonds	$ 2,175,000	$ -	$ 110,000	$ 2,065,000	$ 110,000
Bond Discounts	(19,876)	-	(1,333)	(18,543)	-
Total bonds payable	2,155,124	-	108,667	2,046,457	110,000
Total component unit activities	$ 2,155,124	$ -	$ 108,667	$ 2,046,457	$ 110,000

Sales Tax Revenue Bonds

4B issued sales tax revenue bonds to provide funds for purchasing land within the Town to be used to promote new or expanded business enterprises including for entertainment, convention, tourist, sports and exhibition facilities, amphitheaters, concert halls, parks, open space, restaurants, retail, parking facilities, public safety facilities and related roads, street and water and sewer facilities and improvements. Sales tax revenue bonds outstanding at September 30, 2021, are as follows:

Component Unit Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Sales Tax Revenue Bonds, Taxable Series 2015	1.00-4.75	2035	$ 2,690,000	$ 2,065,000
			$ 2,690,000	$ 2,065,000

The debt service requirements for the sales tax revenue bonds are as follows:

Year Ended September 30,	Component Unit Activities Principal	Interest	Total Requirements
2022	$ 110,000	$ 90,258	$ 200,258
2023	115,000	86,518	201,518
2024	120,000	82,263	202,263
2025	125,000	77,463	202,463
2026	130,000	72,213	202,213
2027-2031	740,000	273,300	1,013,300
2032-2036	725,000	88,113	813,113
Total	$ 2,065,000	$ 770,128	$ 2,835,128

The following is a summary of pledged revenues of 4B for the year ended September 30, 2021:

Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
.5% sales and use tax	$ 669,026	$ 204,268	30.5%	$ 2,835,128	Until 2035

Note 16: Restatement of Prior Year Financial Statements

An error correction was made relating to the presentation of two of the Town's component units, Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1) and Crime Control and Prevention District (CCPD), as identified below. The component units were previously reported as discrete and were corrected to a blended presentation. The following financial statement line items for the year ended September 30, 2021, were affected by the error correction:

Government-wide

	Governmental Activities	Component Units
Net Position, Beginning of Year, as Previously Reported	$ 63,204,419	$ 944,196
Adjustment applicable to prior years:		
Correction of Reporting Entity		
Tax Increment Reinvestment Zone No. 1	(354,812)	354,812
Crime Control and Prevention District	222,811	(222,811)
Subtotal	(132,001)	132,001
Net Position, Beginning of Year, as Restated	$ 63,072,418	$ 1,076,197

The correction of error above had an impact on change in net position for the prior year as follows: increase change in net position by approximately $260,000 for governmental activities and decrease change in net position by approximately $260,000 for component units.

Governmental Funds

	Nonmajor Governmental Funds
Fund Balances, Beginning of Year, as Previously Reported	$ 2,148,712
Adjustment applicable to prior years:	
Correction of Reporting Entity	
Tax Increment Reinvestment Zone No. 1	(354,812)
Crime Control and Prevention District	222,811
Subtotal	(132,001)
Fund Balances, Beginning of Year, as Restated	$ 2,016,711

The correction of error impacted net change in fund balances for the prior year as follows: increase change in fund balance by approximately $260,000 for the nonmajor governmental funds.

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Required Supplementary Information (Unaudited)

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Town of Trophy Club, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property tax	$ 7,220,000	$ 7,220,000	$ 7,396,475	$ 176,475
Sales tax	1,110,000	1,110,000	1,383,994	273,994
Franchise and local taxes	852,816	852,816	869,212	16,396
License and permits	235,000	235,000	284,500	49,500
Intergovernmental	955,031	1,040,910	1,363,876	322,966
Charges for services	788,029	788,029	1,424,580	636,551
Fines and forfeitures	282,600	282,600	328,220	45,620
Investment income	72,000	72,000	29,353	(42,647)
Other revenue	122,104	122,104	28,680	(93,424)
Total revenues	11,637,580	11,723,459	13,108,890	1,385,431
Expenditures				
Current:				
General government	173,182	173,932	153,888	20,044
Manager's office	1,010,690	872,190	973,427	(101,237)
Human resources	322,612	323,362	287,521	35,841
Finance	534,922	548,293	528,002	20,291
Information services	655,957	655,957	595,432	60,525
Legal	126,350	126,350	118,756	7,594
Municipal court	75,889	76,639	47,930	28,709
Police	2,507,343	2,818,042	2,843,717	(25,675)
Fire	1,381,839	1,445,298	1,357,987	87,311
Emergency medical services	1,317,588	1,381,048	1,284,482	96,566
Facilities management	344,702	345,452	450,853	(105,401)
Parks and recreation	2,253,821	2,273,040	1,918,606	354,434
Community development	681,405	686,707	526,177	160,530
Tourism	-	-	197,113	(197,113)
Sanitation	226,560	227,010	1,057,653	(830,643)
Capital outlay	-	-	336,942	(336,942)
Total expenditures	11,612,860	11,953,320	12,678,486	(725,166)
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,720	(229,861)	430,404	660,265
Other Financing Sources (Uses)				
Transfers in	91,500	91,500	156,082	64,582
Transfers out	(1,000,000)	(1,000,000)	(530,153)	469,847
Total other financing sources (uses)	(908,500)	(908,500)	(374,071)	534,429
Net Change in Fund Balance	$ (883,780)	$ (1,138,361)	56,333	$ 1,194,694
Fund Balance, Beginning			7,547,423	
Fund Balances, Ending			$ 7,603,756	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Public Improvement District No. 1
For the Year Ended September 30, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Special assessments	$ 2,204,998	$ 2,195,144	$ (9,854)
Investment income	-	34,638	34,638
Miscellaneous	47,310	-	(47,310)
Total revenues	2,252,308	2,229,782	(22,526)
Expenditures			
General government	47,310	47,111	199
Debt Service:			
Principal	1,340,000	1,340,000	-
Interest and fiscal charges	864,998	880,073	(15,075)
Total expenditures	2,252,308	2,267,184	(14,876)
Net Change in Fund Balances	$ -	(37,402)	$ (37,402)
Fund Balances, Beginning		3,971,196	
Fund Balances, Ending		$ 3,933,794	

Town of Trophy Club, Texas

Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System

Measurement Date December 31,	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service cost	$ 809,057	$ 804,453	$ 795,448	$ 789,530	$ 863,553	$ 980,663	$ 1,044,859
Interest (on the Total Pension Liability)	970,682	1,053,745	1,113,555	1,173,728	1,263,163	1,354,175	1,466,317
Changes of benefit terms	(1,544,038)	-	-	-	-	-	-
Difference between expected and actual experience	(49,303)	(237,279)	(471,044)	(62,418)	(258,925)	(3,497)	(142,491)
Change in assumptions	-	368,895	-	-	-	(802)	-
Benefit payments, including refunds of employee contributions	(450,100)	(632,921)	(450,496)	(636,604)	(589,161)	(566,895)	(835,638)
Net Change in Total Pension Liability	(263,702)	1,356,893	987,463	1,264,236	1,278,630	1,763,644	1,533,047
Total Pension Liability - Beginning	15,231,441	14,967,739	16,324,632	17,312,095	18,576,331	19,854,961	21,618,605
Total Pension Liability - Ending	14,967,739	16,324,632	17,312,095	18,576,331	19,854,961	21,618,605	23,151,652
Plan Fiduciary Net Position							
Contributions - employer	660,364	658,543	593,840	606,585	633,832	710,975	760,116
Contributions - employee	316,613	340,458	329,281	323,389	347,155	384,574	406,480
Net investment income	681,774	19,357	912,155	2,061,434	(515,889)	2,642,216	1,537,272
Benefit payments, including refunds of employee contributions	(450,100)	(632,921)	(450,496)	(636,604)	(589,161)	(566,895)	(835,638)
Administrative expense	(7,117)	(11,788)	(10,296)	(10,676)	(9,961)	(14,914)	(9,935)
Other	(585)	(582)	(555)	(541)	(520)	(448)	(388)
Net Change in Plan Fiduciary Net Position	1,200,949	373,067	1,373,929	2,343,587	(134,544)	3,155,508	1,857,907
Plan Fiduciary Net Position - Beginning	11,915,329	13,116,278	13,489,345	14,863,274	17,206,861	17,072,317	20,227,825
Plan Fiduciary Net Position - Ending	13,116,278	13,489,345	14,863,274	17,206,861	17,072,317	20,227,825	22,085,732
Net Pension Liability - Ending	$ 1,851,461	$ 2,835,287	$ 2,448,821	$ 1,369,470	$ 2,782,644	$ 1,390,780	$ 1,065,920
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.63%	82.63%	85.85%	92.63%	85.99%	93.57%	95.40%
Covered Payroll	$ 4,523,041	$ 4,863,685	$ 4,704,011	$ 4,619,838	$ 4,954,406	$ 5,493,911	$ 5,722,119
Net Pension Liability as a Percentage of Covered Payroll	40.93%	58.30%	52.06%	29.64%	56.17%	25.31%	18.63%

Other Information:
For the 2015 valuation, inflation used was 2.5%, investment rate of return and discount rate used was 6.75% and actuarial studies were updated through December 31, 2014.
For the 2019 valuation, actuarial studies were updated through December 31, 2018.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available. Information has been determined as of the Town's measurement date (December 31).

Town of Trophy Club, Texas
Schedule of Contributions
Texas Municipal Retirement System

Fiscal Year Ended September 30,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	$ 642,631	$ 627,419	$ 598,176	$ 638,736	$ 736,208	$ 728,124	$ 810,363
Contribution in relation of the actuarially determined contribution	642,631	627,419	598,176	638,736	736,208	728,124	810,363
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,617,652	$ 4,822,763	$ 4,559,463	$ 4,911,902	$ 5,640,011	$ 5,524,768	$ 5,985,416
Contributions as a percentage of covered							

Notes to Required Supplementary Information – TMRS

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available. Information has been determined as of the Town's most recent fiscal year-end (September 30).

Town of Trophy Club, Texas

Schedule of Changes in the Total OPEB Liability and Related Ratios

Texas Municipal Retirement System

Supplemental Death Benefits Fund

Measurement Date December 31,	2017	2018	2019	2020
Total OPEB Liability				
Service cost	$ 10,164	$ 12,386	$ 15,383	$ 21,744
Interest (on the Total OPEB Liability)	6,033	6,400	7,252	7,204
Difference between expected and actual experience	-	(887)	(4,443)	(12,515)
Change in assumptions	17,400	(16,237)	46,233	46,896
Benefit payments	(924)	(991)	(1,099)	(1,144)
Net Change in Total OPEB Liability	32,673	671	63,326	62,185
Total OPEB Liability - Beginning	154,985	187,658	188,329	251,655
Total OPEB Liability - Ending	$ 187,658	$ 188,329	$ 251,655	$ 313,840
Covered Employee Payroll	$ 4,619,838	$ 4,954,406	$ 5,493,911	$ 5,722,119
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.06%	3.80%	4.58%	5.48%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: 1) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	3.78%
2017	3.00%
2018	4.10%
2019	2.75%
2020	2.00%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

Town of Trophy Club, Texas

Schedule of Changes in the Total OPEB Liability and Related Ratios

Retiree Health Care Plan

Measurement Date September 30,	2018	2019	2020	2021
Total OPEB Liability				
Service cost	$ 5,179	$ 5,389	$ 5,389	$ 6,570
Interest (on the Total OPEB Liability)	2,019	2,101	2,624	1,489
Difference between expected and actual experience	-	-	(1,194)	-
Change in assumptions	-	-	(6,481)	-
Benefit payments	-	-	-	-
Net Change in Total OPEB Liability	7,198	7,490	338	8,059
Total OPEB Liability - Beginning	44,561	51,759	59,249	59,587
Total OPEB Liability - Ending	$ 51,759	$ 59,249	$ 59,587	$ 67,646
Covered Employee Payroll	$ 4,911,902	$ 5,493,911	$ 5,524,768	$ 5,985,416
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.05%	1.08%	1.08%	1.13%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: 1) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	4.06%
2018	4.06%
2019	2.25%
2020	2.25%
2021	2.25%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

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Combining and Individual Fund Financial Statements and Schedules (Unaudited)

TOWN OF
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Nonmajor Governmental Funds

Special Revenue Funds

Hotel Occupancy Tax Fund – This fund is used to account for local hotel and motel occupancy tax receipts, as well as expenses (events).

Street Maintenance Sales Tax Fund – Accounts for sales taxes specifically restricted for street improvements.

Court Technology Fund – Accounts for court fees specifically restricted for court technology expenses.

Court Security Fund – Accounts for court fees specifically restricted for court security expenses.

Recreation Programs Fund – Accounts for revenues and expenditures associated with recreational programs.

Park Land Dedication Fund – This fund is used to account for park revenues received by and expended by the Town.

Grant Fund –This fund is used to account for certain grant monies received by and expended by the Town.

Tax Increment Reinvestment Zone No. 1 – Accounts for revenues to be used in the reinvestment zone.

Crime Control and Prevention District – Accounts for the funds received from a one-half one percent sales tax, which can be utilized for public safety.

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Town of Trophy Club, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology	Court Security	Recreation Programs	Park Land Dedication	Grant	Tax Increment Reinvestment Zone No. 1	Crime Control and Prevention	Total
Assets										
Cash and cash equivalents	$ 1,688,987	$ 262,352	$ 13,457	$ 26,555	$ 7,710	$ 536,001	$ 9,886	$ 118,413	$ 230,129	$ 2,893,490
Taxes receivable, net	45,457	59,103	-	-	-	-	-	-	61,991	166,551
Total assets	1,734,444	321,455	13,457	26,555	7,710	536,001	9,886	118,413	292,120	3,060,041
Liabilities:										
Accounts payable	7,700	18,554	3,188	-	-	-	-	59,626	17,993	107,061
Advances to other funds	-	-	-	-	-	-	-	386,503	-	386,503
Total liabilities	7,700	18,554	3,188	-	-	-	-	446,129	17,993	493,564
Fund Balances										
Restricted										
Tourism	1,726,744	-	-	-	-	-	-	-	-	1,726,744
Public safety	-	-	-	-	-	-	9,886	-	274,127	284,013
Street maintenance	-	302,901	-	-	-	-	-	-	-	302,901
Court	-	-	10,269	26,555	-	-	-	-	-	36,824
Parks	-	-	-	-	-	536,001	-	-	-	536,001
Committed										
Recreation programs	-	-	-	-	7,710	-	-	-	-	7,710
Unassigned	-	-	-	-	-	-	-	(327,716)	-	(327,716)
Total fund balances	1,726,744	302,901	10,269	26,555	7,710	536,001	9,886	(327,716)	274,127	2,566,477
Total liabilities and fund balances	$ 1,734,444	$ 321,455	$ 13,457	$ 26,555	$ 7,710	$ 536,001	$ 9,886	$ 118,413	$ 292,120	$ 3,060,041

Town of Trophy Club, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2021

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology	Court Security	Recreation Programs	Park Land Dedication	Grant	Tax Increment Reinvestment Zone No. 1	Crime Control and Prevention	Total
Revenues										
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 124,873	$ -	$ 124,873
Sales tax	-	322,978	-	-	-	-	-	-	328,432	651,410
Occupancy tax	392,660	-	-	-	-	-	-	-	-	392,660
Intergovernmental	-	-	-	-	-	-	-	-	1,448	1,448
Charges for services	-	-	-	-	6,763	-	-	-	-	6,763
Fines and fees	-	-	225	8,678	-	-	-	-	-	8,903
Investment income	919	-	-	-	-	274	-	-	-	1,193
Other revenue	19,934	-	-	-	-	150,000	-	-	-	169,934
Total revenues	413,513	322,978	225	8,678	6,763	150,274	-	124,873	329,880	1,357,184
Expenditures										
Current:										
Court	-	-	3,188	229	-	-	-	-	-	3,417
Police	-	-	-	-	-	-	-	-	130,208	130,208
Community development	-		-	-	-	-	-	127,930	-	127,930
Tourism	122,830	-	-	-	-	-	-	-	-	122,830
Parks and recreation	-	-	-	-	4,115	-	-	-	-	4,115
Public works	-	204,633	-	-	-	-	-	-	-	204,633
Capital outlay	-	-	-	-	-	-	-	-	148,356	148,356
Total expenditures	122,830	204,633	3,188	229	4,115	-	-	127,930	278,564	741,489
Excess (Deficiency) of Revenues Over (Under) Expenditures	290,683	118,345	(2,963)	8,449	2,648	150,274	-	(3,057)	51,316	615,695
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	30,153	-	30,153
Transfers out	(94,582)	-	-	(1,500)	-	-	-	-	-	(96,082)
Total other financing sources (uses)	(94,582)	-	-	(1,500)	-	-	-	30,153	-	(65,929)
Net Change in Fund Balances	196,101	118,345	(2,963)	6,949	2,648	150,274	-	27,096	51,316	549,766
Fund Balances, Beginning	1,530,643	184,556	13,232	19,606	5,062	385,727	9,886	(354,812)	222,811	2,016,711
Fund Balances, Ending	$ 1,726,744	$ 302,901	$ 10,269	$ 26,555	$ 7,710	$ 536,001	$ 9,886	$ (327,716)	$ 274,127	$ 2,566,477

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel Occupancy Tax Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Hotel Occupancy Tax	Variance with Final Budget
Revenues			
Taxes	$ 210,000	$ 392,660	$ 182,660
Investment income	5,000	919	(4,081)
Miscellaneous	7,500	19,934	12,434
Total revenues	222,500	413,513	191,013
Expenditures			
General government	72,045	-	72,045
Tourism	114,883	122,830	(7,947)
Capital outlay	175,000	-	175,000
Total expenditures	361,928	122,830	239,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,428)	290,683	430,111
Other Financing Sources (Uses)			
Transfers out	-	(94,582)	(94,582)
Total other financing sources (uses)	-	(94,582)	(94,582)
Net Change in Fund Balance	$ (139,428)	196,101	$ 335,529
Fund Balance, Beginning		1,530,643	
Fund Balance, Ending		$ 1,726,744	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Maintenance Sales Tax Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Street Maintenance Sales Tax	Variance with Final Budget
Revenues			
Taxes	$ 262,500	$ 322,978	$ 60,478
Total revenues	262,500	322,978	60,478
Expenditures			
Public works	223,642	204,633	19,009
Total expenditures	223,642	204,633	19,009
Net Change in Fund Balance	$ 38,858	118,345	$ 79,487
Fund Balance, Beginning		184,556	
Fund Balance, Ending		$ 302,901	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Court Technology Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Court Technology	Variance with Final Budget
Revenues			
Fines and fees	$ 2,800	$ 225	$ (2,575)
Total revenues	2,800	225	(2,575)
Expenditures			
Court	2,522	3,188	(666)
Total expenditures	2,522	3,188	(666)
Net Change in Fund Balance	$ 278	(2,963)	$ (3,241)
Fund Balance, Beginning		13,232	
Fund Balance, Ending		$ 10,269	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Court Security Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Court Security	Variance with Final Budget
Revenues			
Fines and fees	$ 2,000	$ 8,678	$ 6,678
Total Revenues	2,000	8,678	6,678
Expenditures			
Court	1,500	229	1,271
Total expenditures	1,500	229	1,271
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	8,449	7,949
Other Financing Sources (Uses)			
Transfers out	-	(1,500)	(1,500)
Total other financing sources (uses)	-	(1,500)	(1,500)
Net Change in Fund Balance	$ 500	6,949	$ 6,449
Fund Balance, Beginning		19,606	
Fund Balance, Ending		$ 26,555	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation Programs Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Recreation Programs	Variance with Final Budget
Revenues			
Charges for services	$ 6,000	$ 6,763	$ 763
Total revenues	6,000	6,763	763
Expenditures			
Recreation	6,000	4,115	1,885
Total expenditures	6,000	4,115	1,885
Net Change in Fund Balance	$ -	2,648	$ 2,648
Fund Balance, Beginning		5,062	
Fund Balance, Ending		$ 7,710	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Park Land Dedication Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Park Land Dedication	Variance with Final Budget
Revenues			
Charges for services	$ 5,000	$ -	$ (5,000)
Investment income	-	274	274
Miscellaneous	150,000	150,000	-
Total Revenues	155,000	150,274	(4,726)
Expenditures			
Capital outlay	100,000	-	100,000
Total Expenditures	100,000	-	100,000
Net Change in Fund Balance	$ 55,000	150,274	$ 95,274
Fund Balance, Beginning		385,727	
Fund Balance, Ending		$ 536,001	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Tax Increment Reinvestment Zone No. 1 Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Tax Increment Reinvestment Zone No. 1	Variance with Final Budget
Revenues				
Taxes	$ 140,263	$ 140,263	$ 124,873	$ (15,390)
Total revenues	140,263	140,263	124,873	(15,390)
Expenditures				
Community development	52,800	71,500	127,930	(56,430)
Total expenditures	52,800	71,500	127,930	(56,430)
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,463	68,763	(3,057)	(71,820)
Other Financing Sources (Uses)				
Transfers in	-	-	30,153	30,153
Total other financing sources (uses)	-	-	30,153	30,153
Net Change in Fund Balance	$ 87,463	$ 68,763	27,096	$ (41,667)
Fund Balance, Beginning			(354,812)	
Fund Balance, Ending			$ (327,716)	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Crime Control and Prevention District Fund

For the Year Ended September 30, 2021

	Original and Final Budget	Crime Control and Prevention	Variance with Final Budget
Revenues			
Taxes	$262,500	$ 328,432	$ 65,932
Intergovernmental	-	1,448	1,448
Total revenues	262,500	329,880	67,380
Expenditures			
Police	140,398	130,208	10,190
Capital outlay	-	148,356	(148,356)
Total expenditures	140,398	278,564	(138,166)
Net Change in Fund Balance	$ 122,102	51,316	$ (70,786)
Fund Balance, Beginning		222,811	
Fund Balance, Ending		$ 274,127	

Discretely Presented Component Unit

4B Economic Development Corporation – to aid, promote and further economic development within the Town.

TOWN OF
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Town of Trophy Club, Texas
Balance Sheet
Trophy Club 4B Economic Development Corporation
September 30, 2021

	4B Economic Development Corporation
Assets	
Cash and cash equivalents	$ 358,655
Taxes receivable, net	122,427
Notes receivable	200,000
Total assets	$ 681,082
Fund Balance	
Restricted	
Debt Service	$ 205,012
Economic Development	476,070
Total fund balance	$ 681,082

Town of Trophy Club, Texas
Reconciliation of the Balance Sheet to the Statement of Net Position
Trophy Club 4B Economic Development Corporation
September 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance – governmental fund	$ 681,082
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the fund.	2,849,486
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(7,521)
Long-term liabilities and related deferred outflows of resources, including bonds payable and deferred charges on refunding, are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements.	(2,046,457)
Net position of governmental activities	$ 1,476,590

Town of Trophy Club, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Trophy Club 4B Economic Development Corporation
For the Year Ended September 30, 2021

	4B Economic Development Corporation
Revenues	
Sales and mixed beverage taxes	$ 669,026
Investment income	22
Total revenues	669,048
Expenditures	
Current:	
Economic Development	149,404
Debt Service:	
Principal	110,000
Interest and fiscal charges	94,268
Total expenditures	353,672
Excess of Revenues Over Expenditures	315,376
Fund Balance, Beginning	365,706
Fund Balance, Ending	$ 681,082

Town of Trophy Club, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

Trophy Club 4B Economic Development Corporation

For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	$	315,376
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of deprecation expense recorded in the current period.		(24,531)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		110,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		
Amortization of bond discount		(1,333)
Accrued interest on long-term debt		881
Change in net position of governmental activities	$	400,393

TOWN OF
TROPHY CLUB

Statistical Section

TOWN OF
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Statistical Section (Unaudited)

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents **Page(s)**

Financial Trends 88-92

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 93-96

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 97-100

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 101-102

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 103-104

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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Town of Trophy Club, Texas

Net Position by Component
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Table 1

Fiscal Year	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Governmental Activities										
Net investment in capital assets	$ 50,050,855	$ 54,425,735	$ 53,586,441	$ 27,620,857	$ 26,940,643	$ 27,125,337	$ 51,825,867	$ 52,718,444	$ 51,061,357	$ 27,008,067
Restricted	1,191,411	315,480	564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682	6,821,486	29,052,071
Unrestricted	2,158,558	2,896,674	3,119,531	2,279,194	1,995,960	3,414,190	3,594,662	4,107,003	5,321,576	5,265,710
Total governmental activities	$ 53,400,824	$ 57,637,889	$ 57,270,444	$ 33,935,479	$ 33,370,252	$ 35,216,364	$ 60,899,520	$ 62,938,129	$ 63,204,419	$ 61,325,848
Business-type Activities										
Net investment in capital assets	$ -	$ 52,848	$ 560,931	$ 513,930	$ 680,146	$ 776,097	$ 877,048	$ 982,997	$1,121,475	$ 1,240,768
Unrestricted	46,866	230,592	(4,845)	163,047	171,755	350,752	633,294	741,325	706,200	1,077,789
Total business-type activities	$ 46,866	$ 283,440	$ 556,086	$ 676,977	$ 851,901	$ 1,126,849	$ 1,510,342	$ 1,724,322	$ 1,827,675	$ 2,318,557
Primary Government										
Net investment in capital assets	$ 50,050,855	$ 54,478,583	$ 54,147,372	$ 28,134,787	$ 27,620,789	$ 27,901,434	$ 52,702,915	$ 53,701,441	$ 52,182,832	$ 28,248,835
Restricted	1,191,411	315,480	564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682	6,821,486	29,052,071
Unrestricted	2,205,424	3,127,266	3,114,686	2,442,241	2,167,715	3,764,942	4,227,956	4,848,328	6,027,776	6,343,499
Total primary government	$ 53,447,690	$ 57,921,329	$ 57,826,530	$ 34,612,456	$ 34,222,153	$ 36,343,213	$ 62,409,862	$ 64,662,451	$ 65,032,094	$ 63,644,405

*The Town implemented GASB Statement No. 68 for the year ended September 30, 2015.
** The Town implemented GASB Statement No. 75 for the year ended September 30, 2018.

Town of Trophy Club, Texas

Changes in Net Position
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Table 2

Fiscal Year	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Expenses										
Governmental activities										
General government	$ 1,984,137	$ 1,902,621	$ 2,113,664	$ 1,955,949	$ 2,728,642	$ 2,533,298	$ 3,398,500	$ 3,650,893	$ 3,561,521	$ 1,381,483
Manager's office	-	-	-	-	-	-	-	-	-	936,032
Human resources	-	-	-	-	-	-	-	-	-	280,147
Finance	-	-	-	-	-	-	-	-	-	512,144
Information services	-	-	-	-	-	-	-	-	-	647,888
Legal	-	-	-	-	-	-	-	-	-	118,756
Court	-	-	-	-	-	-	-	-	-	49,837
Public safety	2,392,798	2,898,737	3,125,577	2,306,609	3,540,703	4,607,380	4,429,744	5,109,461	5,139,151	5,616,921
Facilities management	-	-	-	-	-	-	-	-	-	448,538
Tourism	-	-	-	-	-	-	-	-	-	317,005
Sanitation	-	-	-	-	-	-	-	-	-	1,057,653
PID activities	-	-	-	2,736,000	2,122,901	48,520	2,850	26,875	50,152	-
Parks and recreation	1,564,660	2,037,590	2,555,844	2,253,982	2,652,384	2,761,053	2,644,329	2,871,283	2,593,588	2,674,646
Community development	485,614	599,872	620,209	436,090	640,404	738,659	695,637	717,215	563,312	639,321
Public works (Streets and infrastructure)	1,829,799	2,234,140	1,764,396	1,716,531	1,878,119	1,728,809	1,671,692	2,371,290	2,052,018	2,308,861
Water and sewer	92	261,106	311,677	319,054	319,054	-	-	-	-	-
Storm drainage	-	227,067	231,370	234,339	234,287	-	-	-	-	-
Interest on long-term debt	498,569	489,337	412,561	469,923	496,019	2,365,059	2,771,762	2,663,286	1,639,671	1,535,312
Total governmental activities expenses	8,755,669	10,650,470	11,135,298	12,428,477	14,612,513	14,782,778	15,614,514	17,410,303	15,599,413	18,524,544
Business-type activities										
Storm Drainage	96,488	121,269	103,001	205,331	174,499	120,295	129,722	131,370	93,912	126,163
Trophy Club Park	130,185	98,718	134,625	123,445	109,325	116,477	93,677	122,186	229,670	125,692
Total business-type activities expenses	226,673	219,987	237,626	328,776	283,824	236,772	223,399	253,556	323,582	251,855
Total business-type activities expenses	$ 8,982,342	$ 10,870,457	$ 11,372,924	$ 12,757,253	$ 14,896,337	$ 15,019,550	$ 15,837,913	$ 17,663,859	$ 15,922,995	$ 18,776,399
Program Revenues										
Governmental activities										
Charges for services										
General government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 286,695
Court	-	-	-	-	-	-	-	-	-	110,550
Police	-	-	-	-	-	-	-	-	-	123,942
Fire	-	-	-	-	-	-	-	-	-	1,344,545
Emergency medical services	-	-	-	-	-	-	-	-	-	95,775
Parks and recreation	-	-	-	-	-	-	-	-	-	301,668
Community Development	1,128,234	968,285	895,508	702,578	605,558	-	-	-	-	1,775
Sanitation	-	-	-	-	-	-	-	-	-	1,058,213
Public works	-	-	-	-	-	-	-	-	-	9,670
Water and sewer	2,040	-	-	-	-	-	-	-	-	-
Other	854,349	793,205	783,359	2,669,738	2,593,969	3,705,774	3,982,406	3,266,108	1,797,916	-
Operating grants and contributions	342,894	952,648	423,960	550,495	141,071	581,633	443,752	1,392,787	2,056,622	37,851
Capital grants and contributions	2,682,302	4,793,132	761,196	1,254,997	-	-	-	2,127,040	-	150,000
Total governmental activities program revenues	5,009,819	7,507,270	2,864,023	5,177,808	3,340,598	4,287,407	4,426,158	6,785,935	3,854,538	3,520,684
Business-type activities										
Charges for services										
Storm Drainage	325,380	506,205	550,617	484,874	466,934	596,520	592,322	539,295	430,303	435,798
Trophy Club Park	-	-	-	-	-	-	-	-	188,708	185,981
Operating grants and contributions	-	-	-	-	61,106	-	94,521	-	-	4,170
Capital grants and contributions	-	-	-	-	-	-	-	3,360	68,146	-
Total business-type activities program revenues	325,380	506,205	550,617	484,874	528,040	596,520	686,843	542,655	687,157	625,949
Total primary government program revenues	$ 5,335,199	$ 8,013,475	$ 3,414,640	$ 5,662,682	$ 3,868,638	$ 4,883,927	$ 5,113,001	$ 7,328,590	$ 4,541,695	$ 4,146,633

Town of Trophy Club, Texas

Changes in Net Position (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

Table 2

Fiscal Year	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Net (Expense) Revenue										
Governmental activities	$ (3,745,850)	$ (3,143,200)	$ (8,271,275)	$ (7,250,669)	$(11,271,915)	$(10,495,371)	$(11,188,356)	$(10,624,368)	$(11,744,875)	$(15,003,860)
Business-type activities	98,707	286,218	312,991	156,098	244,216	359,748	463,444	289,099	363,575	374,094
Total primary government net (expense) revenue	$ (3,647,143)	$ (2,856,982)	$ (7,958,284)	$ (7,094,571)	$(11,027,699)	$(10,135,623)	$(10,724,912)	$(10,335,269)	$(11,381,300)	$(14,629,766)
General Revenues And Other Changes In Net Position										
Governmental activities										
Taxes										
Property taxes	$ 4,897,615	$ 5,334,140	$ 5,955,398	$ 7,447,069	$ 7,714,564	$ 8,269,141	$ 8,412,231	$ 8,974,426	$9,347,776	$ 9,940,633
Sales and mixed beverage taxes	754,105	781,054	965,969	1,104,298	1,217,693	1,306,243	1,150,073	1,271,864	1,445,994	2,035,404
Other taxes	706,065	828,338	1,020,554	1,027,407	1,255,995	1,376,352	1,486,952	1,581,721	1,238,302	1,261,872
Investment income	7,983	7,193	4,973	11,331	65,709	146,015	259,220	512,922	183,858	72,940
Miscellaneous revenues	301,269	379,896	185,922	100,202	382,521	908,540	197,567	235,107	414,384	62,904
Special items	-	-	-	-	-	-	-	-	882,082	-
Transfers	64,382	49,644	28,607	35,350	70,206	86,887	87,209	86,937	262,933	(116,463)
Total governmental activities	6,731,419	7,380,265	8,161,423	9,725,657	10,706,688	12,093,178	11,593,252	12,662,977	13,775,329	13,257,290
Business-type activities										
Investment income	-	-	25	143	914	2,087	7,258	11,818	2,711	325
Special items	-	-	26,001	-	-	-	-	-	-	-
Transfers	64,382	49,644	28,607	35,350	70,206	86,887	87,209	86,937	262,933	116,463
Total business-type activities	64,382	49,644	54,633	35,493	71,120	88,974	94,467	98,755	265,644	116,788
Total primary government	$ 6,795,801	$ 7,429,909	$ 8,216,056	$ 9,761,150	$ 10,777,808	$ 12,182,152	$ 11,687,719	$ 12,761,732	$ 14,040,973	$ 13,374,078
Change In Net Position										
Governmental activities	$ 2,985,569	$ 4,237,065	$ (109,852)	$ 2,474,988	$ (565,227)	$ 1,597,807	$ 404,896	$ 2,038,609	$ 2,030,454	$ (1,746,570)
Business-type activities	163,089	335,862	367,624	191,591	315,336	448,722	557,911	387,854	629,219	490,882
Total primary government change in net position	$ 3,148,658	$ 4,572,927	$ 257,772	$ 2,666,579	$ (249,891)	$ 2,046,529	$ 962,807	$ 2,426,463	$ 2,659,673	$ (1,255,688)

*The Town implemented GASB Statement No. 68 for the year ended September 30, 2015.
**The Town implemented GASB Statement No. 75 for the year ended September 30, 2018.

Town of Trophy Club, Texas

Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Table 3

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 796	$ 796	$ 796	$ 1,816	$ 54,397	$ 91,278	$ 430,977	$ 389,687	$ 389,112	$ 727,449
Committed	228,138	228,138	228,138	228,138	-	-	-	-	-	-
Assigned	-	-	-	200,000	189,475	183,858	182,718	177,130	169,592	-
Unassigned	2,902,168	2,398,330	2,816,087	3,261,235	3,950,290	4,335,983	4,826,823	5,256,436	6,988,719	6,876,307
Total general fund	3,131,102	2,627,264	3,045,021	3,691,189	4,194,162	4,611,119	5,440,518	5,823,253	7,547,423	$ 7,603,756
All Other Governmental Funds										
Restricted:										
Debt Service	94,267	119,722	118,092	118,542	143,174	309,043	262,277	473,670	706,640	$ 4,357,220
Capital Projects	996,425	2,065,759	4,505,273	1,694,546	8,764,936	6,285,515	5,764,419	3,568,072	1,984,646	6,199,646
Municipal court	49,962	60,927	46,253	43,422	39,668	37,819	37,155	30,036	32,838	36,824
Public Safety	-	23,007	93,746	134,265	210,189	71,259	9,886	9,886	9,886	284,013
Street Maintenance	75,999	46,700	39,915	65,306	-	92,856	29,337	92,457	184,556	302,901
Tourism	1,321	87,225	283,481	475,748	564,363	399,883	790,686	1,313,981	1,530,643	1,726,744
Parks	-	-	-	-	-	-	467,425	220,464	385,727	536,001
PID No. 1	-	-	-	4,229,068	3,869,425	3,832,851	3,882,225	3,972,188	3,971,196	-
Town Anniversary	2,114	2,114	2,114	3,497	-	-	-	-	-	-
Committed:										
Recreation programs	-	-	2,812	3,395	2,269	7,307	3,655	3,028	5,062	7,710
Unassigned	257,350	11,517	6,333	6,327	5,017	-	-	-	-	(327,716)
Total all other governmental funds	$ 1,477,438	$ 2,416,971	$ 5,098,019	$ 6,774,116	$ 13,599,041	$ 11,036,533	$ 11,247,065	$ 9,683,782	$ 8,811,194	$ 13,123,343

Town of Trophy Club, Texas

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Table 4

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes										
Ad valorem taxes	$ 4,916,886	$ 5,330,778	$ 5,908,764	$ 7,469,912	$ 7,724,244	$ 8,132,670	$ 8,600,999	$ 8,967,795	$ 9,359,847	$ 9,941,321
Sales and mixed beverage taxes	754,105	781,054	965,969	1,104,298	1,217,694	1,306,243	1,150,073	1,271,864	1,445,994	2,035,404
Franchise taxes	693,722	718,952	772,621	811,052	953,622	888,863	867,446	911,738	850,543	869,212
Occupancy	20,543	108,170	235,796	264,708	302,374	487,489	619,506	669,983	387,759	392,660
Special assessments	-	-	-	1,917,636	1,986,516	2,129,321	2,166,167	2,176,400	2,187,165	2,195,144
Licenses, permits & fees	1,128,234	968,285	904,251	697,378	598,586	333,780	614,931	499,302	479,513	284,500
Intergovernmental	342,894	888,896	133,004	326,195	26,237	581,633	608,910	724,333	2,056,622	1,365,324
Charges for services	670,186	592,146	611,781	293,011	310,735	820,530	767,237	769,962	296,947	1,431,343
Fines & Fees	157,143	171,579	126,111	580,648	362,409	355,504	497,078	312,267	132,877	337,123
Contributions	322,536	1,472	-	-	-	-	-	-	-	-
Investment Income	7,983	7,193	4,974	11,330	65,708	146,015	259,213	512,922	183,858	72,940
Grant revenue	1,400,252	490,850	61,383	147,691	7,942	-	-	-	-	-
Miscellaneous	82,057	388,894	485,380	100,202	407,418	158,540	715,535	402,894	386,615	212,904
Total revenues	10,496,541	10,448,269	10,210,034	13,724,061	13,963,485	15,340,588	16,867,095	17,219,460	17,767,740	19,137,875
Expenditures										
Current										
General government	1,968,287	1,844,939	1,947,650	2,273,447	2,349,120	2,191,140	2,404,704	3,164,364	2,584,454	973,869
Manager's office	-	-	-	-	-	-	-	-	-	973,427
Human resources	-	-	-	-	-	-	-	-	-	287,521
Finance	-	-	-	-	-	-	-	-	-	528,002
Information services	-	-	-	-	-	-	-	-	-	595,432
Legal	-	-	-	-	-	-	-	-	-	118,756
Court	-	-	-	-	-	-	-	-	-	51,347
PID activities	-	-	-	314,344	81,793	44,984	2,850	26,875	50,152	-
Public safety	2,408,103	2,905,923	2,918,484	2,896,632	3,187,064	4,117,992	4,441,873	4,872,242	4,977,216	5,616,394
Facilities management	-	-	-	-	-	-	-	-	-	450,853
Tourism	-	-	-	-	-	-	-	-	-	319,943
Sanitation	-	-	-	-	-	-	-	-	-	1,057,653
Public works	2,017,548	1,067,962	517,964	516,035	566,927	179,448	340,910	414,938	388,419	204,633
Community development	481,473	576,306	587,760	479,477	576,508	582,259	449,178	568,239	491,941	654,107
Water and sewer	92	-	-	-	-	-	-	-	-	-
Culture & recreation	1,659,656	1,491,496	1,853,811	1,799,204	1,892,065	1,991,571	2,708,827	2,250,599	2,380,448	1,922,721
Debt service										
Principal	885,000	2,294,000	998,000	1,438,000	2,153,974	1,567,004	1,675,350	1,723,652	3,081,206	3,408,000
Interest and fiscal changes	496,466	485,784	473,972	2,546,971	3,396,480	2,630,171	2,796,835	2,811,664	1,614,385	1,452,214
Capital outlay	1,403,691	237,936	885,436	3,466,307	3,395,509	9,146,919	1,239,065	2,860,040	1,735,016	508,748
Total expenditures	11,320,316	10,904,346	10,183,077	15,730,417	17,599,440	22,451,488	16,059,592	18,692,613	17,303,237	19,123,620
Excess (Deficiency) of Revenues Over Expenditures	(823,775)	(456,077)	26,957	(2,006,356)	(3,635,955)	(7,110,900)	807,503	(1,473,153)	464,503	14,255
Other Financing Sources (Uses)										
Proceeds from capital lease obligation	-	-	-	-	-	-	264,732	-	-	-
Proceeds from contractual obligations	-	-	2,500,000	-	4,210,000	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-	32,213	-
Insurance recoveries	-	-	-	-	-	-	-	-	27,769	-
Proceeds from bonds	500,000	1,300,000	600,000	2,030,000	31,399,979	4,445,000	-	-	3,550,000	4,305,000
Premium on bonds		33,794	50,329	-	5,020,788	128,317	-	-	-	297,691
Payment to refunded bond escrow agent	-	-	-	2,026,710	29,734,500	-	-	-	3,485,838	-
Transfers in	191,878	876,553	55,741	63,350	493,947	993,250	298,457	89,937	264,433	686,235
Transfers out	127,496	826,909	27,134	28,000	423,741	906,363	63,817	3,000	1,500	(802,698)
Total other financing sources (uses)	819,374	3,037,256	3,233,204	4,148,060	71,282,955	6,472,930	627,006	92,937	7,361,753	4,486,228
Net Change In Fund Balances	$ (4,401)	$ 2,581,179	$ 3,260,161	$ 2,141,704	$ 67,647,000	$ (637,970)	$ 1,434,509	$ (1,380,216)	$ 7,826,256	$ 4,500,483
Debt Service As A Percentage Of Noncapital Expenditures	13.93%	26.06%	15.83%	32.49%	39.08%	31.55%	30.18%	28.65%	30.16%	26.11%

Town of Trophy Club, Texas

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (Unaudited)

Table 5

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Non Real Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	$ 971,822,347	$ 23,862,338	$ 54,212,507	$ 941,472,178	$ 0.53000
2013	1,068,605,127	24,460,719	59,911,204	1,033,154,642	0.51854
2014	1,248,215,265	25,845,178	60,160,746	1,213,899,697	0.49930
2015	1,426,754,517	20,304,259	64,382,412	1,382,676,364	0.49000
2016	1,618,577,881	28,301,916	68,622,814	1,578,256,983	0.48400
2017	1,816,191,857	29,805,970	73,301,474	1,772,696,353	0.47300
2018	1,986,456,291	32,335,529	83,492,349	1,935,299,471	0.45144
2019	2,146,374,412	34,488,137	79,947,523	2,100,915,026	0.44644
2020	2,245,060,094	34,337,805	173,637,626	2,105,760,273	0.44644
2021	2,571,479,079	41,659,656	210,421,213	2,402,717,522	0.44644

Source: Denton & Tarrant County Central Appraisal District Certified Roll
Note: Total Taxable Assessed Value is not adjusted for tax ceilings.

Town of Trophy Club, Texas

Direct and Overlapping Property Tax Rates (Per $100 of Assessed Value)

Last Ten Fiscal Years (Unaudited)

Table 6

	Town of Trophy Club			Overlapping Rates					Overlapping Rates					Total
Fiscal Year	Operating/ General	Debt Service	Total Direct	Northwest ISD	Trophy Club MUD #1	Denton County	Trophy Club PID #1 ESD	Tarrant County	Tarrant County College	Tarrant County Hospital	Total MUD #1	Total MUD #2	Total PID #1 ESD	Total Direct and Overlapping Rates
2012	$0.415013	$0.114987	$0.530000	$ 1.375000	$ 0.175000	$ 0.277357	$ 0.109250	$ 0.264000	$ 0.148970	$ 0.227897	$ 2.994564	N/A	$ 2.406594	$ 3.107474
2013	0.403543	0.115000	0.518543	1.375000	0.133390	0.282867	0.104000	0.264000	0.149500	0.227897	2.942300	N/A	2.395410	3.055197
2014	0.384300	0.115000	0.499300	1.452500	0.133390	0.284914	0.087380	0.264000	0.149500	0.227897	2.985984	N/A	2.439094	3.098881
2015	0.380000	0.110000	0.490000	1.452500	0.133390	0.272200	0.077270	0.264000	0.149500	0.227897	2.948860	N/A	2.401970	3.066757
2016	0.374000	0.110000	0.484000	1.452500	0.131140	0.262000	0.072220	0.264000	0.149500	0.227897	2.925360	N/A	2.380720	3.043257
2017	0.363000	0.110000	0.473000	1.452500	0.127220	0.248409	0.074450	0.254000	0.144730	0.227897	2.884309	N/A	2.358359	3.002206
2018	0.341442	0.110000	0.451442	1.490000	0.120210	0.237181	0.068700	0.244000	0.140060	0.224429	2.861593	N/A	2.357323	2.976022
2019	0.336442	0.110000	0.446442	1.490000	0.116180	0.225574	0.067190	0.234000	0.136070	0.224429	2.825456	N/A	2.339206	2.939885
2020	0.336442	0.110000	0.446442	1.420000	0.112730	0.225278	0.067380	0.234000	0.130170	0.224429	2.204450	N/A	2.269100	2.860429
2021	0.336442	0.110000	0.446442	1.420000	0.105880	0.224985	0.081900	0.229000	0.130170	0.224429	2.197307	N/A	2.283327	2.862806

Source: Denton & Tarrant County Appraisal Districts

Town of Trophy Club, Texas

Principal Property Taxpayers

Current Year and Ten Years Ago (Unaudited)

Table 7

Taxpayer	2021 Taxable Assessed Value	2021 Rank	2021 Percentage of Total Taxable Assessed Value (1)	2012 Taxable Assessed Value	2012 Rank	2012 Percentage of Total Taxable Assessed Value (2)
NAP Trophy Club LP	$ 42,200,000	1	1.76%	$ -	n/a	0.00%
KAGR Trophy Club 2800 LLC/2850 LL	22,750,000	2	0.95%	-	n/a	0.00%
Armore Trophy Club LLC	16,600,000	3	0.69%	5,665,875	8	0.60%
Trophy Club 18 LLC	16,335,450	4	0.68%	-	n/a	0.00%
TC Town Center	14,328,008	5	0.60%	-	n/a	0.00%
Quasar Hotels LLC	11,214,061	6	0.47%	-	n/a	0.00%
Oncor Electric Delivery Co	9,040,000	7	0.38%	-	n/a	0.00%
Trophy Club Medical Center LP	8,065,320	8	0.34%	6,163,459	4	0.65%
Amore II - Quorum LLC	6,993,186	9	0.29%	-	n/a	0.00%
ClubCorp Golf Tex LP P/S	6,479,626	10	0.27%	-	n/a	0.00%
Regency Centers LP	-	n/a	n/a	7,094,526	2	0.75%
Goodman Family of Builders LP	-	n/a	n/a	6,272,995	3	0.67%
BDMR Development LLC	-	n/a	n/a	6,030,947	5	0.64%
Standard Pacific of Texas LP	-	n/a	n/a	5,987,095	6	0.63%
High Trophy Development LLC	-	n/a	n/a	5,807,077	7	0.62%
Lennar Homes of Texas	-	n/a	n/a	5,184,902	9	0.55%
Cnl Retmt CRSI Trophy Cl Tx LP	-	n/a	n/a	17,800,000	1	1.89%
4663 Okeechobee BLVD & Palm Beach Holdings (2002)	-	n/a	n/a	5,000,000	10	0.53%
Totals	$ 154,005,651		6.40%	$ 71,006,876		7.53%

Source: Denton and Tarrant County Central Appraisal District

Town of Trophy Club, Texas

Property Tax Levies and Collections

Last Ten Fiscal Years (Unaudited)

Table 8

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	$ 4,858,136	$ 4,838,092	99.59%	$ 13,713	$ 4,851,805	99.87%
2013	5,259,719	5,244,699	99.71%	7,742	5,252,441	99.86%
2014	5,904,591	5,869,976	99.41%	26,189	5,896,165	99.86%
2015	6,665,433	6,642,558	99.66%	14,249	6,656,806	99.87%
2016	7,477,394	7,456,542	99.72%	13,166	7,469,708	99.90%
2017	8,188,616	8,153,915	99.58%	10,781	8,164,696	99.71%
2018	8,627,946	8,614,737	99.85%	2,176	8,616,913	99.87%
2019	9,027,118	8,992,174	99.61%	34,943	9,027,117	100.00%
2020	9,504,473	9,400,652	98.91%	21,969	9,422,621	99.14%
2021	9,835,286	9,785,993	99.50%	-	9,785,993	99.50%

Source: Denton County Tax Assessor Collector

Town of Trophy Club, Texas

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years (Unaudited)

Table 9

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Special Assessment Bonds	Premium	Capital Leases	Certificates of Obligation	Premium	Total Primary Government	Percentage of Personal Income (1)	Per Capita
2012	$ 11,505,149	$ 634,000	$ -	$ -	$ -	$ -	$ -	$ 12,139,149	3.03%	$ 1,348
2013	9,464,076	1,698,419	-	-	-	1,743,456	-	12,905,951	2.86%	1,199
2014	9,085,567	4,212,132	-	-	-	1,599,038	-	14,896,737	3.07%	1,293
2015	8,344,695	4,029,431	26,481,000	-	-	1,454,619	-	40,309,745	7.62%	3,348
2016	6,925,000	7,961,000	25,710,479	4,916,763	-	1,275,000	30,200	46,818,442	8.37%	3,762
2017	6,545,000	12,068,000	25,406,475	4,754,458	-	1,130,000	25,779	49,929,712	8.44%	3,856
2018	10,640,000	11,415,000	25,285,577	4,457,420	173,280	980,000	21,358	52,972,635	8.06%	3,828
2019	9,805,000	10,637,000	25,260,000	4,160,382	88,205	825,000	16,939	50,792,526	7.94%	4,106
2020	9,005,000	9,789,000	23,985,000	3,872,927	-	670,000	12,522	47,334,449	6.98%	3,802
2021	7,500,000	13,531,000	22,645,000	3,798,808	-	510,000	8,504	47,993,312	7.14%	3,608

(1) Personal Income and population found on Table 13 of the Statistical Section

Town of Trophy Club, Texas

Ratio of Net General Bonded Debt Outstanding

Last Ten Fiscal Years (Unaudited)

Table 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Premium on Bonds	Gross Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2012	$ 11,505,149	$ 634,000	$ -	$ 12,139,149	$ -	$ 12,139,149	1.29%	$ 1,348
2013	9,464,076	1,698,419	-	11,162,495	-	11,162,495	1.08%	1,037
2014	9,085,567	4,212,132	-	13,297,699	-	13,297,699	1.10%	1,154
2015	8,344,695	4,029,431	-	12,374,126	-	12,374,126	0.89%	1,028
2016	6,925,000	7,961,000	4,916,763	19,802,763	-	19,802,763	0.94%	1,591
2017	6,545,000	12,068,000	4,754,458	23,367,458	-	23,367,458	1.05%	1,878
2018	10,640,000	11,415,000	4,457,420	26,512,420	-	26,512,420	1.14%	1,916
2019	9,805,000	10,637,000	4,160,382	24,602,382	-	24,602,382	0.97%	1,989
2020	9,005,000	9,789,000	3,872,927	22,666,927	706,640	21,960,287	0.89%	1,764
2021	7,500,000	13,531,000	3,798,808	24,829,808	423,426	24,406,382	0.92%	1,835

[a] Property values are from table 5.

[b] Populations are from table 13.

Town of Trophy Club, Texas

Direct and Overlapping Governmental Activities Debt

As of September 30, 2021 (Unaudited)

Table 11

Governmental Unit	Debt Principal Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Denton County	$ 571,605,000	2.08%	$ 11,916,921
Northwest Independent School District	1,584,718,303	5.32273%	84,350,221
Tarrant County	213,675,000	0.07%	159,926
Tarrant County College District	255,995,000	0.00%	-
Tarrant County Hospital District	26,660,000	0.07%	19,954
Trophy Club MUD #1	24,015,000	0.60%	143,050
Subtotal, overlapping debt	2,676,668,303		96,590,072
Town of Trophy Club, direct debt	21,031,000	100.00%	21,031,000
Total direct and overlapping debt principal	$ 2,697,699,303		$ 117,621,072

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Trophy Club. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Most recent Texas Municipal Reports (TMR) published by the Municipal Advisory Council of Texas.

Town of Trophy Club, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years (Unaudited)

Table 12

Fiscal Year	Special Assessment Bonds: Special Assessment Collections	Special Assessment Bonds: Annual Requirement (a)	Special Assessment Bonds: Times Coverage
2020	$ 2,187,165	$ 2,180,573	1.00
2021	2,195,144	2,220,073	0.99

Note: (a) Includes Principal and Interest
Special assessment bonds pledged-revenue coverage presented starting with fiscal year 2020.

Town of Trophy Club, Texas

Demographic and Economic Statistics

Last Ten Fiscal Years (Unaudited)

Table 13

Year	Estimated Population[a]	Total Households[a]	Median Household Income[b]	Total Personal Income	Unemployment Rate[c]
2012	9,005	3,379	$ 118,595	$ 400,732,505	6.10
2013	10,760	3,680	122,539	450,943,520	5.65
2014	11,525	3,891	124,593	484,791,363	4.72
2015	12,040	4,153	127,391	529,054,823	3.88
2016	12,446	4,342	128,750	559,032,500	3.66
2017	12,950	4,435	133,457	591,881,795	3.38
2018	13,838	4,723	139,156	657,233,788	3.40
2019	12,369	4,490	142,483	639,748,670	3.10
2020	12,451	4,600	147,477	678,394,200	3.10
2021	13,301	4,555	147,477	671,757,735	6.60

Sources: a Estimated population using residential water connections
b United States Census Bureau
c Federal Bank of St. Louis Economic Research; Denton and Tarrant Counties' data averaged 2018.

Town of Trophy Club, Texas

Principal Employers

Current Year and Ten Years Ago (Unaudited)

Table 14

2021			2012		
Employer	Employees	Percentage of Total Town Employment	Employer	Employees	Percentage of Total Town Employment
Northwest Independent School District	404	20.20%	Northwest Independent School District	388	32.61%
Baylor Medical Center at Trophy Club	230	7.50%	Trophy Club Country Club	200	16.81%
Trophy Club Country Club	150	11.50%	Baylor Medical Center at Trophy Club	200	16.81%
Town of Trophy Club[1]	184	9.20%	Tom Thumb	75	6.30%
Tom Thumb	140	7.00%	Town of Trophy Club	100	8.40%
HG Supply Co.	101	5.05%	Cristina's Mexican Restaurant	55	4.62%
Fellowship United Methodist Church	51	2.55%	Merryhill Preschool	24	2.02%
Premier Academy - Trophy Club	35	1.75%	Premier Academy - Trophy Club	42	3.53%
Trophy Lake Academy	30	1.50%	Fellowship United Methodist Church	43	3.61%
Church at Trophy Club Lake	32	1.60%	Trophy Lake Academy	35	2.94%
Total	1,357	67.85%	Total	1,162	97.65%

(1) Includes Full Time, Part Time, and Seasonal

Town of Trophy Club, Texas

Full-time Equivalent Town Government Employees

By Function/Program

Last Ten Fiscal Years (Unaudited)

Table 15

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government and Administration	13	12	14	13	14	13	14	14	13	12
Public Safety	23	28	31	32	33	33	34	41	41	38
Streets	5	5	5	4	4	4	2	3	3	3
Parks and Recreation	16	16	17	17	17	16	17	14	14	16
Community Development	5	6	7	6	6	6	6	5	4	4
Total	62	67	74	72	73	73	73	77	75	73

Source: Departmental records

Town of Trophy Club, Texas

Operating Indicators by Function/Program

Last Ten Fiscal Years (Unaudited)

Table 16

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	2	2	1	1
Number of police personnel	15	18	23	25	25	26	26	24	25	23
Number of arrests	102	101	82	125	145	148	130	275	157	158
Number of traffic stops	2,602	2,443	2,004	2,912	3,635	2,922	4,262	5,397	3,106	3,206
Fire										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of fire personnel	14	14	15	15	16	17	18	17	17	18
Number of calls answered	845	945	907	868	898	868	858	871	965	981
Developmental										
Miles of streets	43	43	43	43	43	43	43	52	52	52
Parks/Recreational Changes										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039

TOWN OF
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